Beatty States Case for Rail Merger Page 9

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The Nation's Business

The Case for a Railway Merger

Beatty's Plan to End Financial Burden

Another Scheme to Lift Price of Wheat

Mr. Beatty States His Case

E. W. BEATTY, chairman and president of the Canadian Pacific Railway, is a vigorous fighter and it may be that he will yet be able to carry the country with him on his proposal for an operating amalgamation of the Canadian Pacific and Canadian National lines. His speech to the Senate Committee, opposing the arbitral tribunal recommendations in the Duff report, is said to have killed any possibility that may have existed of the Senate approving the government's railway bill based on that report. His address to the Canadian Club of Toronto this week, carefully prepared, courageously spoken, eminently convincing, may so change the current of public opinion in Canada that Parliament will feel willing to consider Mr. Beatty's proposals rather than the Royal Commission's proposals as not only practically sound but politically acceptable.

There seems little doubt now that the Senate will revise their railway bill somewhat along the lines of Mr. Beatty's proposals. In the Commons the fate of such a revised bill is more uncertain, chiefly because the prime minister has not declared himself as favororable to the Duff plan, the Beatty plan, the Ruel plan or any other plan for the solution of the railway problem. This statement should be qualified by pointing out that the Bennett administration has been pressing what might be called the Manion-Hungerford plan of cutting Canadian National expenses to the limit in order that the burden of the government lines on the national treasury may be lightened as far as possible while the ultimate solution—if there is any ultimate solution other than mere economy aided by business expansion—is found and applied.

* * *

THE most telling point in Mr. Beatty's address was that we have in Canada consistently refused to accept the best advice available on the railway problem and have permitted political exigencies to rule. Mr. Beatty did not hesitate to charge the Duff Commission with having brought down a report that they thought would contain as little political dynamite as possible and thus with being derelict in their joint and several duties as financial and business examiners of the situation. The evidence seems to point to the fairness of this criticism of the commissioners, any one of whom could probably have done a better job than the whole group taken together. Whether the commission judged Canadian sentiment on the railway problem rightly or wrongly is beside the point. They were not set up as appraisers of public opinion but to present a plan to the government.

It is said by some people in a position to know that the Duff Commission originally agreed upon a recommendation not entirely inconsistent with the present Beatty plan but that an intimation was given them that the recommendation they proposed making would not be politically acceptable and that it would be better to frame a different even if more inocuous report. One hesitates to suspect such a powerful group of intellects of being guilty of such weaknesses but it must be admitted that their report, while a masterly presentation of the problem and while valuable in its insistence upon economical operation of the government lines, failed to produce a solution, which means either that they could not find a single solution, that they could not agree upon one, or that they found one that they decided not to recommend.

* * *

BEFORE the Duff Commission, Mr. Beatty suggested operating amalgamation by lease of the National lines on a profit-sharing basis to the C. P. R. In his address this week he did not repeat his proposal in detail but confined himself to the general ideas of consolidation under one management and reduction in mileage. He apparently left the door open for a merger under government ownership in his suggestion that "control and management should be accompanied by a proper measure of responsibility on some agreed basis either by the government to the Canadian Pacific and its sharehold-

(Continued on page 2, col. 3)

SENATE LIKELY TO APPROVE OF RAIL UNION

Upper Chamber Swings Around to Beatty View

H. OF C. UNCERTAIN

Lower House Will Reject Plan Unless Beatty Speech Changes National Opinion

From Our Own Correspondent

OTTAWA. — The pendulum of opinion in the Senate in regard to the railway legislation has been swinging steadily in the direction of amalgamation in the past three weeks. Whether it has gone far enough to warrant the statement that there is now a majority in the Upper House in favor of railway unification along the line of the Beatty plan is difficult to say, but many competent observers believe that it has and are prophesying radical amendment of the Meighen bill when Parliament resumes on January 30.

Meantime the two railway managements have been working on their programmes of co-operative economies, and it is reported to Ottawa that satisfactory progress has been made. In fact the progress would have been much greater had it not been for the peculiarly demoralized position of the National railways management at the present time. With a board of directors slated for the discard, with officials uncertain of their permanency and uncertain of the general policy which the new management will adopt—co-operation in economies, where important changes in operation are involved, is extremely difficult. It is stated, however, that sufficient progress has been made to satisfy any reasonable doubt that, if there must be two companies, voluntary co-operation is superior to compulsion under an arbitral board.

No Compulsory Co-operation

The change in opinion among senators is the most remarkable development, in connection with the railway problem, to occur since parliament adjourned last November. From the time the Duff report was published, last September, Senate opinion has been in a highly fluid state. At first the opinion against compulsory co-operation—the very term is a negation — was noticeably strong. When the draft bill got to the Senate railway committee, however, the vigorous support given it by Rt. Hon. Arthur Meighen effected a pronounced change in the views of committee members, and it seemed very likely that the measure would be adopted and the Duff recommendations accepted.

The principle of the bill was opposed by President E. W. Beatty, of the Canadian Pacific and by others, and the committee took a good deal of evidence and displayed much interest in the possibilities of unification under Canadian Pacific management. One great obstacle to effective action, however, was the absence of an alternative bill, embodying unification. To draft such a bill required first rate legal talent and time, and neither was at the disposal of those members of the committee who were attracted by the advantages of amalgamation.

Expect Merger Bill

The recess, however, has enabled these weaknesses to be remedied and it will be very surprising if some of the committee members do not come forward with a railway unification bill, as an alternative to the present Meighen bill.

In this event the prospects point, strongly, to the adoption of unification by the Senate committee and by the Upper House as a whole.

Of course, when the bill leaves the Senate it will go to the Commons and the fate of a unification bill in the lower house is extremely doubtful. Before Mr. Beatty's speech this week it was believed certain that the Commons would reject amalgamation and adopt the Duff recommendations. In that event a prolonged dispute between the two houses would have been unlikely. The Senate would bow to the views of the lower house. But Mr. Beatty's Toronto speech may alter the picture.

Wage Rates in 1932 Drop to 1918 Levels

Declines in Key Groups Range from 5 to 13 Per Cent in Past Year

Wage rates in Canada in 1932 took the sharpest drop in more than a decade according to figures supplied to The Financial Post by the Department of Labor at Ottawa. The new average rates for 1932 show that for most types of labor, wages or rates during the year were the lowest paid since 1917 and 1918.

Average rates for five key groups of skilled workers during the year dropped 6 per cent, the figures reveal. Common factory labor was lower by 5.3 per cent and wage rates paid to miscellaneous factory trades fell by nearly 8 per cent. The heaviest decline was experienced in the logging and sawmilling group whose wage rates fell by 13.3 per cent.

Back to 1917 Levels

Wage rate figures for the year are compiled on the basis of index numbers with the common base of 1913 equals 100. On this basis, logging and sawmilling rates are now the lowest in the four groups mentioned, the index for 1932 being 141 which is the lowest figures since 1917. Skilled worker rates and miscellaneous factory trade rates still are the lowest since 1919; common factory labor rates are the lowest since 1918.

The average rate for all skilled workers is the simple average of the yearly index number for six key trades, namely: building, metal, printing, electric railways, steam railways and coal mining. Of these, wage rates in the building trades showed the sharpest drop with a fall of over 9 per cent. Coal miner wage rates showed the least decline but wage rates in this group (on the basis of comparative index numbers) have for many years been considerably below the level of the other skilled workers.

Comparative figures for the past six years, follow:

Index Numbers of Rates of Wages for Various Classes of Labor in Canada
(Rate in 1913 = 100)

	1932	1931	% Change 1931-32	1930	1929	1928	1927
Skilled Workers:							
Building Trades	177.9	195.7	—9.1	208.2	197.5	185.0	179.3
Metal Trades	174.7	182.9	—4.5	186.6	184.6	180.1	178.1
Printing Trades	194.2	205.1	—5.3	203.1	203.8	202.8	195.0
Electric Railways	180.7	192.4	—6.1	199.4	198.6	194.1	189.9
Steam Railways	183.9	199.2	—7.7	204.3	204.3	198.4	198.4
Coal Mining	163.8	169.4	—3.3	169.4	168.9	168.9	167.9
Average	180.1	191.8	—6.1	194.4	192.7	187.4	184.8
Common Factory Labor	173.7	183.4	+5.3	188.2	187.8	187.1	187.7
Misc. Factory Trades	182.1	197.3	—7.7	202.3	202.1	200.9	199.4
Logging and Sawmilling	141.3	163.0	—13.3	183.9	185.6	184.3	182.8

Canadians Invest $1,817,000,000 Abroad

Net Investment by Canadian People Outside Their Own Countries Declines $19,500,000 During Year

By KENNETH W. TAYLOR,
Associate Professor of Economics, McMaster University.

Canadian investments abroad showed a small decline during 1932, according to preliminary estimates made for The Financial Post Business Year Book. The total on January 1, 1933, stands at $1,817,000,000, as compared with $1,836,000,000 a year ago.

Banking balances abroad declined $39,000,000 to the extremely low figure of $19,500,000. Insurance company investments increased by only a small amount. General foreign purchases by Canadian investors were also very small. The only new foreign issues sold in Canada in 1932 were $3,000,000 of Newfoundland bonds. No important changes in Canadian direct industrial investments abroad were reported during the year. The following table shows how the net decrease of $19,000,000 was brought about:

	Total $	Great Britain $	United States $	Other Countries $
New issues bought	3,000,000	....	....	3,000,000
Purch. of old secs. (net)	17,000,000	1,000,000	11,000,000	5,000,000
Total	20,000,000	1,000,000	11,000,000	8,000,000
Decr. in bank. balances	39,000,000	7,000,000	25,000,000	7,000,000
Net, change, 1932	—19,000,000	—6,000,000	—14,000,000	+1,000,000
1931	+31,000,000	—1,000,000	+27,500,000	+4,500,000

Foreign balances of the Canadian banks are at the lowest point in many decades, as the following table shows:

Dec. 31, 1920	$182,000,000	Dec. 31, 1928	$188,000,000
1922	103,000,000	1930	71,000,000
1924	96,000,000	1931	52,000,000
1926	261,000,000	Oct. 31, 1932	19,000,000

The following table shows the value of Canadian foreign investments on January 1, 1933, together with revised figures for 1932, and the totals for January, 1930 (the latter being the latest official estimate by the Dominion Bureau of Statistics):

Canadian Investment Abroad, Jan. 1, 1933
(Estimated by The Financial Post Year Book of Business)

	Total $	Great Britain $	United States $	Other Countries $
Govt. credits & balances	56,000,000	500,000	25,000,000	30,500,000
Bal. of chartered banks	19,500,000	5,000,000	9,500,000	5,000,000
Securities held by banks	75,000,000	26,000,000	18,000,000	31,000,000
Secs. held by insur. cos.	410,000,000	25,000,000	255,000,000	130,000,000
Direct indust'l invest.	366,500,000	7,000,000	156,500,000	203,000,000
Miscellaneous	890,000,000	12,000,000	550,000,000	328,000,000
Total, 1933	1,817,000,000	75,500,000	1,014,000,000	727,500,000
1932	1,836,000,000	81,500,000	1,028,000,000	726,500,000
1930	1,781,345,000	80,874,000	1,021,855,000	678,616,000

Brazilian Earns About 83 cents On 1932 Common

Brazilian Traction Light & Power Co. earnings during 1932, based on the monthly reports for the first 11 months, should be about 83 cents a share. This compares with $1.39 in 1931, $2.50 in 1930 and $2.67 in 1929 and it takes for granted that similar amounts will be deducted from earnings for depreciation, amortization, sinking funds and that bond interest and other charges will show the usual drop of about $200,000. It is also taking for granted that miscellaneous revenue and interest on investments will be about what they were in 1931.

The decrease in net earnings is accounted for in great part by the decline in exchange. The recent disturbance in Brazil was reflected in decreased earnings for September and October. The lifting of moratoria on commercial payments is understood to have gone automatically into effect at the end of the year, and though this will not help the company to find cash to export for dividends it is nevertheless encouraging as showing the business situation clearly rapidly after the rebellion.

General Steel Wares Cut Debt by $851,000

From Our Own Correspondent

MONTREAL. — General Steel Wares bought in $570,000 of its 6 per cent first mortgage bonds during 1932. Added to this total was $281,000 of bonds purchased for $126,098 at the beginning of 1932 and shown in the 1931 report, so that the balance sheet for 1932 will show a reduction in the company's funded debt of $851,000. This brings the face value of the outstanding bonds down to $7,828,000, as compared with $8,679,000 at the close of 1931 and the original issue of $9,000,000 in November, 1927.

Consequent upon this action, bond interest charges in 1933 will be $51,060 less than in 1932. No official word is forthcoming as to the company's intention regarding this charge during the current year. But in view of the strengthening of liquid position due to the liquidation of inventorieis and the reduction of bank loans over the past twelve months expectations are that bond interest will be met.

The annual report for 1932 is expected to make its appearance next month. Operations last year were not particularly good but operating returns should be at least as good as those reported for 1931 when an operating loss of $349,407 was shown in the financial statement.

At the next annual meeting preferred and common stock holders will elect the directors. The original capital set-up provided for three management shares. The rights conferred upon these shares expired on October 27, 1932, and as the preferred stock is more than four quarterly dividends in arrears, all classes of stock now have equal voting rights.

McINTYRE EARNS $2.21 PER SHARE IN NINE MONTHS

Last Three Months' Earnings Best in Company's History

McIntyre Porcupine Mines reports net earnings of $2.21 per share for the nine months period ended December 31, 1932, as compared with $1.86 per share in the same period of 1931.

Earnings for the three months ended December 31, 1932, were equivalent to 79 cents per share as compared with 71 cents for the quarter ended September 30 and with 70 cents for the three months ended June 30, 1932.

The following are comparative figures for 1932 and 1931 nine months periods.

	Nine Months End. Dec. 31, 1932	Nine Months End. Dec. 31, 1931
Gross income	$4,483,987.77	$3,866,246.20
Costs	2,295,421.54	2,065,480.68
Appr. for taxes	224,050.62	124,206.22
Depreciation	203,146.16	191,485.32
Total costs	2,722,618.32	2,381,172.22
Net income	1,761,369.45	1,485,073.98
Earn. per sh.	$2.21	$1.86

ABITIBI SHARES ARE AUCTIONED UNDER 1c EACH

Block of 720 Common, Worth $61,200 in 1928, Gets $6

TORONTO HIGHER

Lack of Information Causes Debacle—Manitoba Presses Receiver to Open Pine Falls Mill

Canadian holders past and present of the common stock of Abitibi Power & Paper Co. will rub their eyes as they read that a block of 720 shares has been sold at auction in New York City by Adrian H. Muller & Son for $6. That same block would have sold at the high point of $85 a share in 1928 for $61,200, at the high point of 58½ in 1929 for $42,120, at the high point of 42¼ in 1930 for $30,420, at the high point of 13¾ in 1931 for $10,900 and at the high point of 3¼ in 1932 for $2,340. At the close of 1932 these shares would have brought $180 at 25 cents a share, and at this writing quotations of "⅜ bid, ½ asked" on the Toronto Stock Exchange are at the rate of "$270 bid, $360 asked" for this block of 720 shares.

How Great a Change

Somebody therefore apparently got a wonderful bargain if Toronto quotations mean anything. Toronto quotations themselves must look unbelievable to shareholders of other days as so many of them bought this stock with the feeling that they were lining up with a company so well run and with such immense resources that dividends were not only likely to be maintained but to be increased as time went on. The tragic and almost criminal overbuilding of the industry changed the aspect of affairs for the company until dividends dropped first on common, then on the two preferred stocks and lastly interest on the bonds. The company has been under a receivership since last August and the majority of bondholders are reported to have deposited their bonds with the protective committee in New York City.

Much Remains to Explain

The low status of the common stock is due not alone to the situation of the company but to the demoralized situation of the whole industry. No one knows as yet what plan of reorganization the protective committee is considering, nor what proposals may be made for further mergers within the industry. The market is probably demoralized beyond necessity as well because of the lack of news with respect to the internal affairs of the company and the lack of explanation as to the huge increase of banking indebtedness after receivership although loans dropped down last August almost to nothing. While this is understood to be a result of making good the company's various contingent guarantees of Thunder Bay Power Co. and others, the situation must be bewildering to the old shareholders.

Recently the receiver, G. T. Clarkson, was reported as stating that a statement would be soon forthcoming. Possibly the annual statement for 1932 will throw light on the situation. A certain amount of woods work was intended for the present winter but no statement as to its extent has been made. For more than a year the company has worked on the plan of using up its huge wood supplies at various Ontario mills. The using up of these supplies during 1932 enabled the company to pay off bank loans of about $4,500,000 from 1930 down to August, 1932, and it may be that under the receiver further loans for replenishing supplies at certain mills may have been in order.

Manitoba's Stake in Company

As a result of this close economy during 1932 Abitibi Power & Paper Co. shut down its Pine Falls paper mill in Manitoba as soon as its wood supplies were used up. This produced a large-sized crisis in that

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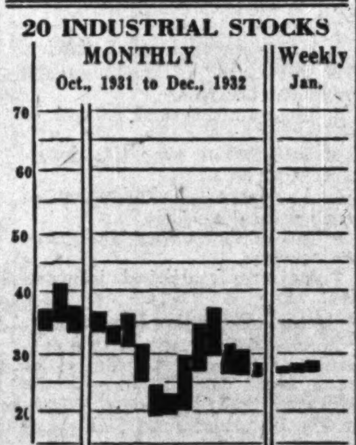
Stock Market



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Jan. 17	28.2	26.6
Week of Jan. 10	27.9	26.6
Month of Jan., 1932	35.2	32.5
8 Bank Stocks		
Week of Jan. 17	166	163
Week of Jan. 10	164	162
Month of Jan., 1932	210	210
10 Public Utilities		
Week of Jan. 17	46	44
Week of Jan. 10	46	45
Month of Jan., 1932	57	54

Construction Companies Faced with Lean Year

Organizations Influenced by Conditions in Building Industry Tighten Belts — Prospects for Early Improvement Lacking

From Our Own Correspondent

MONTREAL.—With spring approaching, attention is directed toward the construction industry and the outlook for companies serving that field. Building activity is seasonal, and though progress has been made in recent years in furthering winter construction, advent of spring usually brings about a sharp stimulus in general building.

At the moment, however, indications for an upward movement in construction in the season of 1933 are not encouraging. Building as a whole is slow to reflect the effects of business conditions; though the drop in constructional activity may follow slowly in the path of an economic crisis, unfortunately it is equally slow in gathering momentum when conditions in the business world improve.

Thus though the value of contracts awarded has declined steadily since 1929 it was not until last year that the full effects of business conditions were reflected. In 1932 value of new construction was but $132,872,000, a drop of 57 per cent from the previous year and a figure which compared with $576,651,800 reported in 1929 by MacLean Building Reports. The delayed drop in figures for 1930 and 1931 which totalled $456,999,000 and $315,482,000 respectively may be attributed to carry-overs from previous years, large jobs which took a period of time to complete. Also it is due in part to governmental expenditures to create employment through outlays on public works.

Storm Broke Last Year

But in 1932 there was little work carried over from earlier years. Governments were curtailing their expenditures, and corporations had neither the confidence nor the money to go ahead with new projects. The result of this situation is clearly indicated in a drop in construction values to levels not recorded since 1918.

The construction industry covers such a wide range that a multitude of investors in various companies are directly affected by building activity. In the erection of a dwelling practically every cog in the industrial machine is thrown into gear; demand for primary building products entails activity in companies of an affiliated nature; construction starts a ripple which spreads throughout the entire industrial pond. Conversely, as building lags, every company which is directly or indirectly affected by construction begins to slow up production with subsequent reductions in earnings.

Where Lies Improvement?

What factors can bring about an improvement in building activity? Primarily may be mentioned general business confidence, since without that all the other factors which go to create construction work are valueless. Conditions in the money markets are of vital importance to building. With plenty of funds available and confidence existing in mortgages as a means for investment, loan companies find a ready market for their funds in the building trades. But as confidence wanes and with government bonds yielding relatively high returns, interest in the mortgage market slackens. As business activity tends to freeze, so do the

(Continued on page 10)

FIRE MOGULS UNDECIDED ON SURTAX

C. F. U. A. Holds Many Meetings But Refuses to Talk

Despite several days of deliberation, fire and casualty insurance company executives are still undecided as to what course they will follow regarding the proposed 2 per cent surtax on insurance premiums, The Financial Post learns. Officials of the C. F. U. A.—chief body sponsoring the surtax—refuse to comment on the matter which is thought to be now left in the hands of the executive of that body. Rumor has it that there is considerable division of opinion among the tariff companies as to what action should be taken.

Several meetings have been held this week following receipt at the end of last week of official protests against the proposed surcharge from the leading agency bodies across Canada. Protests were received by resolution or wire from leading agency bodies in Halifax, Montreal, Toronto, Ottawa, Fort William, Winnipeg and Vancouver and were forwarded to the Canadian Fire Underwriters' Association by the Canadian Federation of Insurance Agents.

Thought Impractical

Burden of the objections followed closely the points outlined last week in The Financial Post. The Canadian Federation summarized its brief by the statement that the proposed surcharge was "impractical and contrary to the best interests of the associated companies" and that if insisted on, the agents would be forced to adopt "whatever means they may find necessary to protect their business."

The agency section of the Toronto Insurance Conference termed the surcharge "a distinct and disagreeable surprise" and in a resolution of protest pointed to the inopportune nature of an "advance in rates upon the profitable classes" in face of the generally decreased prices of all commodities. Other arguments against the impost were that non-tariff competitors would either show no surcharge on their policies, or even if they did "their utter lack of fixed base ratings and assessment methods would allow them to show a surcharge without increasing total premium." Irritation to clients because the great majority of individual premium policies are less than $25 thus requiring collection of surcharges varying from 5 cents to 50 cents, was given as another objection.

Ontario Agents' Views

In a letter signed by its president, the Ontario Fire and Casualty Agents' Association expresses the opinion that the surcharge "as a means of increasing revenue will seriously react to the disadvantage of the associated companies and the agents throughout Ontario and believe that it should be withdrawn."

"It is our opinion that there are other methods of procuring revenue which would be much less disturbing and greatly more effective, and we hereby register accordingly our most strenuous objections and resolve that if the surcharge becomes effective we shall be obliged to take what steps we think advisable to protect our business."

From Winnipeg and Vancouver the following telegrams of protest were received:

"Winnipeg Agents Association believe that surcharge for taxes of two per cent justified but object strenuously to same unless we have the assurance that all non association companies intend to follow the same procedure. We have forwarded resolution to this effect to the Western Canada Insurance Underwriters' Association."

"Resolution passed by Vancouver Insurance Agents' Association at regular meeting. This association is opposed to imposition of surcharge at this time and in this form. That copy of resolution be sent Canadian Federation of Insurance Agents and British Columbia Insurance Underwriters' Association and memo be prepared by sub-committee setting out our reasons for this action."

From Our Own Correspondent

MONTREAL.—Proposals to impose a 2 per cent surcharge on fire insurance premiums are doomed to failure according to well informed opinion here. The Insurance Brokers' Association of Quebec, in addition to other leading agency organizations throughout Canada, has unanimously opposed the plan and it is thought that the proposal, whose zero hour was set at March 1, 1933, will peter out unless a more popular scheme can be found.

The executive committee of the Quebec organization considers an increase of rates for the purpose of taxation, without stating so definitely, as unwise, and that no increases in certain classes of insurance can be justified at this time. Further it thinks that the public is already objecting to the increase and that if companies are operating at a loss, it should be entirely borne by unprofitable classes.

The committee makes another

(Continued on page 2, col. 5)

Highlights of the Week

Events and Topics That Make Articles for The Financial Post This Week

Mr. Beatty States His Case

The address of E. W. Beatty, president of the Canadian Pacific Railway, urging amalgamation as the solution of our railway problems, is printed verbatim in The Financial Post this week. Page 9. The Post's comment on it, "The Nation's Business" column Page 1.

Dividends

In 1932, 114 companies passed dividends, 80 reduced, 3 increased, 9 started, 2 resumed dividends, 18 declared extras. The complete record is published on Page 16.

Better Reports

Auditors and company executives are urged to give more consideration to investors' interests in compiling their 1932 annual reports. Page 11.

New Era Houses

Home building, it is predicted by some people, will change over to factory construction. The consequences would be striking. Wellington Jeffers tells of the newest news in houses. Page 3.

OTTAWA PLANS NOT TO RUSH JOB INSURANCE

Will Seek Transfer of Constitutional Power from Provinces

TWO YEARS NEEDED

Federal Plan, if Achieved, Will Pay Costs But Otherwise be Borne by Industry

From Our Own Correspondent

OTTAWA.—While unemployment insurance has been placed in the forefront of the discussions to take place at the dominion-provincial conference, and while the Bureau of Statistics has been working overtime collating data taken in the 1931 census, there is no intention of embarking upon a federal unemployment insurance scheme this year.

For all practical purposes, legislation at Ottawa cannot be introduced until the session of 1934 and cannot be put into effect much in advance of 1935. Moreover, recent changes in plans, here, strongly point to any federal scheme being purely self-sustaining. The intention is to devise unemployment insurance which will be supported entirely by employers and employees, without financial assistance either from the Dominion or the provinces.

Constitutional Aspects

But while the achievement of an unemployment insurance system is at least two years distant, and perhaps farther, the greatest importance attaches to the discussions which are taking place at Ottawa. These discussions are centring upon the constitutional phase of the question, and if this phase is decisively dealt with a precedent will have been established with respect to many other phases of social legislation — notably the eight-hour day.

It is commonly conceded here that unemployment insurance, in order to be effective, must be compulsory. Both employees and employers must be compelled by statute to contribute to a central fund. A voluntary scheme, it is believed, would not be effective.

And, while the view is strongly held that state financial support should be withheld, it is believed probable that the federal government might agree to pay all administrative charges.

Provinces Must Surrender

There is not likely to be any controversy at the conference on the jurisdictional position. Unemployment insurance, if compulsory, will be admitted to be purely a provincial matter.

Premier Bennett, however, will take the position that the Dominion is prepared to work out and enact a purely federal scheme. The Dominion will do this only upon condition that the provinces agree to surrender their constitutional rights in this regard. If the provinces agree that it is desirable for the Dominion to have charge of unemployment insurance, a form of agreement will be drawn up. The precedent for this method will be the natural resources agreements.

Would Cede Power

Under the agreement the provinces will cede their constitutional power, in this matter, to the Dominion. Separate agreements, it is understood, will be signed with each province. The agreement will be the same in each case, and it will be ratified by legislation not only at Ottawa but in each of the legislatures. When all ten legislative bodies have acted, and not until then, the federal government will draft a petition for an amendment of the British North America Act. This petition will be approved by both houses of parliament and then forwarded to Westminster,

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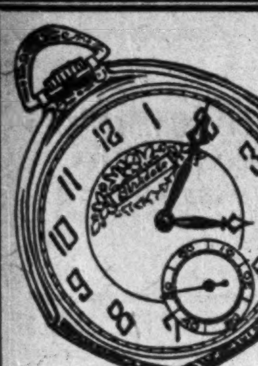

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The Nation's Business

(Continued from Page One)

ers or by the Canadian Pacific to the government in relief of its railway burdens." But one may take for granted that while Mr. Beatty, as C. P. R. president, might accept a public ownership merger that treated C. P. R. investors fairly, he would, as a citizen, be horrified by the prospect, as would nearly every other business man in Canada.

* * *

MR. BEATTY'S proposals are not essentially different in their broad general concept and objections from

1. the Shaughnessy plan of 1921, which suggested government purchase of the C. P. R. railway properties but management of the consolidated system by the C. P. R. administration;

2. the Senate plan of 1925, which provided for merger of the two plans under a joint board with a guarantee of C. P. R. dividends and a suitable division of surplus earnings;

3. the plan of Gerard Ruel, K.C., former vice-president of the C. N. R., for operation of both properties by a railway management company with division of earnings but with C. P. R. fixed obligations having first call.

* * *

MR. BEATTY'S plan has received approval from many people but there is really no way of knowing if they comprise a majority of Canadians. Reception accorded his evidence before the Senate Committee indicated that a majority of the newspapers of Canada either support his plan or are friendly to it without definitely supporting it. Some newspapers opposed to amalgamation again point out what was apparently in the Duff Commission's mind that the public won't stand for amalgamation which is no argument against the scheme if it is essentially sound. It should be recognized that what the public in Canada wants is for the government of the day to find a solution of the railway problem that will reduce the country's taxes without impairing the quality of our railway service and if the public is convinced that amalgamation is the only way of attaining that then the public will support amalgamation. A truce should be called to the pernicious and expensive habit of taking a purely political attitude toward the railway problem. If the right solution is unpopular it is the duty of the government to make it popular by a clear portrayal of all the facts.

* * *

THERE are of course objections to amalgamation other than the political ones and reference has been made to these in The Financial Post. Mr. Beatty essayed this week to answer some of these objections and there will be no little interest in his reply to the assertions that amalgamation would lead to menacing monopoly and that labor would suffer inhumanly.

By most business men, amalgamation has been regarded as the last resort, to be tried when all other expedients fail and the situation is desperate. It is then a question of how desperate the railway situation is—or rather our financial situation arising out of the railways.

Mr. Beatty has shown great courage in his proposals and if equal courage will be shown by Mr. Bennett in presenting a governmental railway policy to the public and putting it through the House of Commons we may yet arrive at some solution of our difficulties before the government lines have completely bankrupted the country. Mr. Beatty is not finding unanimous support for his proposals but he differs from the Bennett administration in one important respect; he has a railway policy and they have not. More than one sober-minded business man is saying to himself today that if we can find a railway solution only through a national government, by all means let us have the national government.

The Financial Post publishes Mr. Beatty's address in full. It has already been widely covered in the daily press but an important document such as this one deserves reading and careful study in its unsummarized form.

* * *

Just One More Crazy Wheat Scheme

IT IS a highly ingenious scheme which the premiers of the Prairie Provinces are understood to have presented to the Dominion government in connection with the price they desire to have paid for wheat ground into flour for use in Canada.

They propose an excise tax upon the domestic consumption of wheat in Canada, in order to establish a fund out of which a bonus is to be paid for the benefit of wheat producers. A similar plan is now being followed in Great Britain, others not unlike it have been followed in several countries of Continental Europe, and the United States is now struggling to evolve something along similar lines. So long as wheat consumers are willing to pay, or rather so long as governments are willing to collect from them, a tax with which to bonus wheat producers, such a plan can be made to work in any country. But such a plan is bound to be forty times more burdensome in Canada than in England, or, in reverse, only one fortieth as effective in Canada in proportion to its cost. For, since Great Britain produces only a fifth of the wheat she consumes, a tax on consumers equivalent to ten cents a bushel on wheat can be translated into a bonus of fifty cents a bushel on production. And since Canada consumes as flour only an eighth of her wheat production, it would take a tax of eighty cents a bushel to produce a bonus of ten cents a bushel on production.

* * *

THIS proposal comes from the same source in which originated, a short time ago, the idea that Canada should call an international conference of wheat producing countries, with the presumed objects, both of dividing up the export market and the production of wheat therefor, and of bringing about a decrease in world production of wheat. The proposal now made runs counter to the one effective measure such a conference might be able to agree on for restriction of production. If governments were to cease bonusing the production of wheat, either by direct payments, by lending money on mortgage at lower than commercial rates, and by providing seed grain and other measures of assistance, excess production of wheat would rapidly disappear, and it is quite probable that except for such special aids in various countries there would have been no excess production. The paternalism which in many countries has been applied with the object of assisting agriculture has in itself been one of the main causes of the present plight of agriculture. If governments would cease trying to foster agricultural production, they would not have to worry about agreements to restrict production, and, strange as it may seem, the producers would be better off.

ABITIBI SHARES ARE AUCTIONED UNDER 1c EACH

(Continued from page 1)

district because the Pine Falls mill was counted on both as an important outlet for labor and for power. There was a feeling in Manitoba that interests there had been sacrificed for the sake of Ontario and Premier Bracken even threatened to enforce governmental powers with regard to Abitibi Power leases. Robert Hayes, president of the Eastern Manitoba Development Bureau, stated recently that the early starting of operations would clean up about 80 per cent of eastern municipal obligations of the districts concerned and diminish the need of unemployment relief works east of the Red River.

A Winnipeg delegation headed by Hon. J. S. McDiarmid spent four hours on January 4 with G. T. Clarkson, receiver, and L. R. Wilson, general manager of Abitibi Power, in an endeavor to get an understanding as to when the mill should be reopened. Messrs. Clarkson and Wilson explained the difficulties inherent in their situation. It was admitted that the Pine Falls mill was a low-cost operation but it was also stated that under present conditions the output of the mill had to be disposed of in Manitoba and Saskatchewan as Pacific Coast mills looked after Alberta needs. The market in Manitoba and Saskatchewan is about 16,000 tons of newsprint annually of which the company has about 13,000 tons. Half of the 13.000 tons is taken by the Winnipeg Free Press and most of the balance by the Regina and Saskatoon papers associated with the Free Press.

Must Work Out Policy

Manitoba is very much in earnest in desiring this mill to be reopened in order to provide a cash market for wood cut by the settlers, furnish employment to many now receiving relief and generally stir up business in the community. It is obvious that it is a difficult matter for Abitibi Power officers or receivers to act quickly in such a matter except in line with a general policy worked out in unison with the bank and with the bondholders' committee whose interest in the matter must be conserved. Sooner or later it will start up the Pine Falls mill again. Pine Falls mill is only one interest of the company. Its large community at Iroquois Falls and the various places along the North shore of Lake Huron also depend almost altogether on this company. There are still huge supplies of wood at high-cost mills and it is not thought that bankers or bondholders will care to see these deteriorate. By the very lowness of present demand the company cannot open up another mill without closing down operations to some extent elsewhere. Yet concentrated operation is necessary with newsprint selling at present levels.

OTTAWA PLANS NOT TO RUSH JOB INSURANCE

(Continued from page 1)

where it will be enacted as an amendment of the B. N. A. Act.

Only when the constitution has been finally and irrevocably amended, will the federal government proceed to work out an unemployment insurance scheme, to draft the necessary legislation.

Provinces Must be Agreeable

All this, of course, will take time. Should any of the provinces decline to surrender their constitutional rights, the Dominion will drop unemployment insurance. Action will be shelved for an indefinite period of time. If they do agree it will probably not be possible to do more than ratify the agreements this year.

Next session the petition to Westminster will be put through and when the British Parliament has acted upon this petition, the Bennett government will introduce the actual unemployment insurance legislation at Ottawa. Thus 1935 seems about the earliest that a federal scheme can be launched.

Meantime, of course, much preliminary work has been done by the Bureau of Statistics. The bureau staff has been working overtime, marshalling the information obtained at the 1931 census. Out of the census returns, it was a relatively simple matter to discover the number of unemployed, but what the bureau has been doing in recent works is to discover how many unemployed there were in each industry.

Seven Other Items

Apart from the jurisdictional aspect of unemployment insurance it is unlikely that the conference will produce many important changes.

The draft agenda has been issued and contains seven items in addition to unemployment insurance.

They are:

1. Unemployment relief policies.
2. Duplication of Dominion and provincial taxation.
3. Incorporation and control of companies.
4. Jurisdiction over life insurance.
5. Avoidance of duplication of governmental services.
6. Regulation of truck and motor bus services.
7. Uniform statistical information.

Motor Competition Important

The probable results of the conference in regard to control of motor truck competition with the railways already has been discussed in The Financial Post. This and the removal of duplication of services may be considered as exceptions to the general statement that will come from the conference. There is every reason to expect that the provinces will co-operate in making effective the truck control remedies recommended by the Duff Commission.

With regard to the removal of duplication in services, the federal government is going to make a determined effort to find common ground with the provincial representatives. This duplication is costing the country millions per year and is entirely unwarranted. The Dominion has in mind the position with regard to public health. This is, under the constitution, a provincial matter, and although all the provinces have health departments, the Dominion, also, operates a similar service.

Agricultural Co-operation

The plan is that either the provinces or the Dominion should take over this work entirely. Another service which is hopelessly involved in a duplicatory sense is agriculture. Every province, as well as the Dominion, has departments of agriculture and both the provinces and the Dominion operate experimental farms and do large scale field work. It is unlikely that duplication, here, can be entirely removed, but it should be possible for the conference to work out a division of responsibility which would enable substantial economies to be made.

With respect to company law and insurance jurisdiction it is not believed that much progress will be possible. As far as unemployment relief is concerned the provinces are expected to use the conference as an occasion to wangle greater financial assistance from Ottawa with respect to the cost of relief to married persons. At the present time the Dominion pays one-third of this cost. The provinces desire the Dominion to pay not less than 50 per cent and it is considered unlikely that the Bennett government will be able to resist the provincial demands. The probability is that Ottawa will agree to take over 40 per cent of this expenditure.

With regard to statistical information, Ottawa desires the provinces to keep uniform statistics particularly with respect to births, deaths and marriages. There should be no trouble in this regard.

FIRE MOGULS UNDECIDED ON SURTAX

(Continued from page 1)

interesting point in its objections to the 2 per cent surcharge. It stresses the lack of educational promotion work claiming that no effort has been made by the Canadian Fire Underwriters' Association, the Canadian Casualty Association or the Canadian Automobile Underwriters' Association to educate the insuring public on the exactions by way of taxation imposed upon insurance companies. Finally the committee resolved at a meeting that imposition of the surcharge should be withheld pending conferences between the associations and their agents so that a better method of obtaining compensating income could be formulated.

Non-tariff companies are understood to be willing to fall in line with the proposed surcharge and the associations of the tariff companies, of course, sponsored the plan. It is from agents, therefore, that the big line of opposition is coming. In the surcharges they see a source of irritation and annoyance to their clients and some feel that the loss and disturbance of business entailed would be greater than the additional revenue which might be received. Others feel that if a 2 per cent increase in rates is necessary, it should be applied in the usual way and not as a surcharge which will entail explanations and possible ill-feeling.

That such a surcharge might tend to swing business toward the non-tariff companies is generally admitted.

CALGARY SEEKS LINE OF CREDIT; FUNDS ARE LOW

Legal Action by Bondholders May be Taken in Near Future

Legal action against the City of Calgary on account of the failure of the city to make payment in New York funds on certain principal and interest due January 1 is still pending and it is understood that bondholders in the United States are making preparation for a suit against the city. In the interval it is reported that large bondholders are not cashing their interest coupons or accepting payment of principal on bonds matured. The outcome of a court action, which the city is apparently willing to contest, will determine the policy of numerous other Canadian municipalities which are burdened with the high premium on New York funds in meeting obligations due in the United States.

As a result of Calgary's repudiation of its liability to meet its obligations in New York funds and the immediate curtailment of bank credit, the city is passing through a period of financial stress never before experienced in its history. Appeals have been made to the Bank of Montreal and to the Alberta Government. Issue of scrip has been discussed. Taxpayers have been urged to take advantage of discounts given for prepayment of taxes.

Uncollected taxes for 1932, total $1,324,927, an increase of some $449,000 over the previous year while 74.65 per cent of the 1932 levy was collected as compared with 80.72 per cent in 1931. Of the 1932 tax levy of $5,227,231 for 1932 $4,902,304 was collected at the end of the year. Revenues of the various departments have shown decreases as well.

Lacking bank credit which was withdrawn by the Bank of Montreal when the city refused to pay exchange charges of $300,000, doubt has been expressed as to whether Calgary could carry on its municipal business due to inability to meet salaries of civic employees. Mayor A. Davison saw Premier Brownlee, of Alberta, on January 13 just before the premier left for Ottawa to attend the provincial conference. The Bank of Montreal is reported to have offered the city a temporary line of credit but the city declines to give treasury bills as security without the assurance that the bank will not sell them at a discount. The bank wants six months treasury bills; the city would give 12 months bills. The city wants a credit of $750,000 to carry through the first three months of 1932.

Montreal Trust Elect Two New Board Members

From Our Own Correspondent

MONTREAL.—John C. Newman and Andrew P. Holt have been elected to the directorate of the Montreal Trust Co., in succession to J. H. Price and Sir Henry Thornton. Mr. Newman is chairman of the Montreal Harbor Commission, president of General Steel Wares and associated with a number of Canadian enterprises. Major Holt is a son of Sir Herbert Holt and is on the board of a number of corporations

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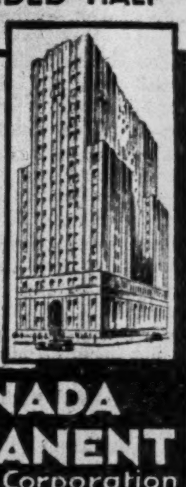

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Are Women's Fashions Uglier?

IN THE Feature Article—"Fashions and the Man"—Arthur Lowe argues that women's fashions are uglier than they've been for twenty years. He asserts that women have lost their individuality and have become slaves to arbitrary decree. He suggests a remedy and devises the ideal feminine wardrobe.

In the succeeding issue, that brilliant writer, Mary Lowry Ross, will have much to say to the contrary. Don't miss this stinging controversy.

All the Radio Programmes

As usual, The Revue gives its friendly criticisms on the various offerings of the past week. But it also gives *all the radio programmes* broadcast from 6.45 a.m. till 2 a.m. the following morning, *for every day up to January 27.*

In addition, The Revue selects what appear to be the best events on the air with something to suit all tastes.

Many Other Delightful Features

SHOULD ANNOUNCERS BE ANONYMOUS?
Both sides of a thorny question in the realm of broadcasting.

AS I WAS JUST SAYING.
Raymond Mullens explores the ether and finds some things good and others not so good.

TWO-FACED MANNEQUIN.
Wherein an impressionable young man endures agony before he discovers that a window model is not mere papier mâché but a thing of life that can laugh and flirt—and love.

MOTION PICTURE PREVIEWS.
"I Am a Fugitive From a Chain Gang," powerful but depressing; also a new British musical film introducing Jack Payne, the Paul Whiteman of Britain.

A WOMAN ANALYZES THE MOTOR SHOW.
Isabelle Romeril discusses in spirited vein the latest innovations that make the new cars popular with the feminine sex.

DRIPPINGS FROM THE TEA POT.
Molly McGee mulls over her notebook and airs some oddities.

INTERVIEWING AN INTERVIEWER.
Wes McKnight gives his impressions of noted athletes he has questioned in front of the microphone.

LOOKING DOWN FROM MOUNT ROYAL.
Frederick Edwards spots some interesting and amusing tit-bits in the life of Montreal.

SPADES ARE TRUMPS.
Ernest Farmer continues his discussion of the twelve worst plays in Contract Bridge.

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BRAZIL SITUATION REMAINS UNSTABLE FOR EXPORT TRADE

Lack of Cover for Dollar and Sterling Payments is Problem

Current short-term outlook for exchange in Brazil in regard to supplies available does not appear to be fundamentally worse than it was before the rebellion, according to the Canadian Trade Commissioner in Brazil in an article in the current issue of the Commercial Intelligence Journal. This is chiefly due, he writes, to the fact that while imports were shut off in the State of Sao Paulo during the rebellion, exports were kept up to relatively high levels, due to heavy shipments from Rio, Victoria and Angra dos Reis (a new port being developed in the State of Rio for shipments from the State of Minas Geraes). The outlook for 1933, however, is not encouraging, he concludes.

Action of the government in lifting the moratorium on foreign payments would appear to indicate that Brazil expects to be able to obtain sufficient cover for maturing obligations and also to maintain payment of 25 per cent a month on bills suspended under the moratorium. Exchange restrictions are still in force and payments must be approved by the Bank of Brazil. However, payment of bills is promised within 90 days after presentation.

Shortage of Cover

Shortage of cover for payments in sterling, dollars, etc., is the worst feature of the Brazilian situation from the point of view of the foreign exporter and foreign investor. For the foreign exporter it has the effect of a prohibitive tariff combined with a forced short-term credit without interest, the latter owing to the lapse of time before payment can be made. For the investor it prohibits him from receiving his interest and dividends.

Coffee being the chief export of the country, it is to this commodity that one must look for the funds to provide cover for imports. While substantial amounts of coffee continued to leave the country even after the government had closed the Port of Sao Paulo to prevent the import of war materials, the volume was much smaller than in 1931. Heavy taxes by the Coffee Council, amounting to nearly 60 per cent of the New York price of the commodity, has handicapped Brazilian coffee to some extent in the New York market.

Probability of a bumper coffee crop being garnered in April of this year is further complicating the coffee situation, according to the British Chamber of Commerce Journal in Sao Paulo. This crop of April, 1933, known as the 1933-34 crop as it will be sold between July, 1933, and July, 1934, flowered in September, 1932, and is estimated to provide 26,000,000 bags.

The statistical position of the Brazilian coffee situation is predicated as follows by the Journal.

	Bags
Total stock available at July 1, 1932	13,784,679
1932-33 crop	15,000,000
1933-34 crop	26,000,000
Total available (excl. 10,778,339 bags purchased by the Coffee Council but still in warehouses) up to June 30, 1934	54,784,679
Probable exports during two crop years, 1932-33 & 1933-34	29,000,000
Surplus at July 31, 1934	25,784,679

Must Reduce Acreage

It is pointed out in the Journal that, to reduce the stocks to 7,000,000 bags, which is considered normal, 19,000,000 bags must be purchased to be burned by the Coffee Council. Revenue for this purpose is being collected by a tax on coffee sold at the rate of 55 milreis per bag, and will amount to approximately 1,038,000 contos. At 70 milreis per bag this would absorb 14,830,000 bags, leaving more than 4,000,000 bags unfinanced.

No definite steps have been taken to reduce production with the exception of a decree published in November, 1932, prohibiting new planting for three years, and the effect of this will not be felt for about five years. Competent observers are of the opinion that unless something is done to reduce production no permanent solution to the coffee situation can be expected. The military government of Sao Paulo has suggested converting a number of old coffee fazendas which are being operated at a loss and utilizing them for other crops, and engaging in further destruction of trees which are affected by the coffee pest.

EXPORTS OF FRUIT HIGHER IN 1932

Montreal Shipments of Pears and Apples at New Record Figure

Apples and pears shipped to Great Britain and eleven other countries through the Port of Montreal during 1932 reached new high record figures, according to figures made available by the International Apple Association. During the year, 155,303 barrels and 918,876 boxes of apples were shipped and 16,227 barrels, 83,311 boxes and 3,971 half boxes of pears.

The United Kingdom was Canada's best purchaser of apples with Belgium next. Other countries, in order of their respective imports, were: Denmark, France, Sweden, Newfoundland, Egypt, South Africa, the Netherlands, New Zealand, Germany and Argentina.

Figures for apples exported from Montreal for the past ten years and for pears for the past seven years are as follows:

Apples

Year	Barrels	Boxes
1932	155,303	918,876
1931	153,449	424,317
1930	74,550	1,024,035
1929	108,265	595,194
1928	85,316	865,787
1927	56,028	335,066
1926	182,148	731,148
1925	249,727	354,415
1924	62,931	304,425
1923	43,549	487,256

Pears

Year	Barrels	Boxes	Half-Boxes
1932	16,227	83,311	3,971
1931	3,961	117,026	3,434
1930	9,096	144,415	18,008
1929	1,520	78,935	9,586
1928	5,335	120,476	23,599
1927	2,349	76,782	1,040
1926	23,254	41,550	26,274

Estimates Value of Tourists

D. Leo Dolan, director of publicity for the Province of New Brunswick, estimates the value of the tourist business in this province in 1932 at $6,000,000. There was a slight decrease in the number of visitors from the United States but an increase of 14 per cent in those from Ontario and Quebec.

Amazing New Houses Being Offered Public

Predicted Changeover to Factory Construction by Building Industry Awakens Keen Interest in Chicago Models—Lumber Manufacturers Take Up Cudgels

By WELLINGTON JEFFERS

With every further slump of actual operations into greater sluggishness, plans on paper for revival of the building industry have taken wider scope, have become more revolutionary and excite more amazement.

Thousands of keen business minds are grappling earnestly with the idea that more attractive and modern houses can be made at once, cheaper, quicker and more efficiently if best ideas in house construction are standardized, if sections are built complete in factories and if only assembling occurs on the lot.

So many minds are busy, so much research is being put in and so many new industries desire to find an outlet for their products in building that the very practice of building itself is changing or may change rapidly so far as materials and their use are concerned.

Want to See New Houses

Probably a first result will be to delay building; just as many buyers of motor cars wait until after the new models are on view before making purchases, so intended buyers (in the United States especially) are waiting to see the new much advertised houses of factory construction and to see what can be done with many materials never hitherto popular among home owners. First views may turn the great majority with innate conservatism for a few years back to the old types of houses but a movement has nevertheless started which is apt to gain headway with every new year for two or three decades. It has already been enough to startle lumber, cement and other building material men into plans for factory construction on as vast a scale as that of their new competitors; and the inventiveness and research of architects and engineers have already been fruitful enough on paper so that extremists like the discredited group known as Technocracy see the end of the building workers.

Technocracy sees the end of brick-layers, carpenters, painters, masons, paperhangers, plumbers as separate trades and claim that firms like A. O. Smith Corp., General Houses, Inc., and American Rolling Mills can with quantity production produce modern completely equipped houses "on a continuous straight line process with an output of from 30 to 50 miles a day of 8 by 12 feet sections with less than 200 operators to the plan." While that conclusion is rather exaggerated as ignoring the fact that the variety of human tastes could never be looked after by any such continuous plan, it is important as indicating that in future the idea of doing more of the building in the factory and less on the lot is bound to get an increasingly thorough trial. Time of building and number of workers to each completed house will dwindle as it has in every other line of industry but cheaper, more effective dwellings provided on a large scale may result in such a vast obsolescence of existing dwellings that the industry may become busier than it has ever been in meeting the need, i.e., if financing can be arranged and if desire can be turned into effective demand.

Present Practice Simplified

Attention has already been drawn in these columns to the decided bid for building business being made by various steel companies and their proposals for factory construction on a mass production basis of houses which embody the latest in comfort, health, duration and conveniences. Intensive attention has been drawn in the United States once again to these matters because of the publication of the final report of the Conference on home building and home ownership which met in August, 1931, under the auspices of President Hoover "to undertake the organization of an adequate investigation and study on a nation wide scale of the problems presented in home ownership and home building."

The 31 committees which have been working have assembled an extraordinary amount of material as to possibilities and experience with all types of houses. The committee has published 11 volumes in all and the last volume "Housing Objectives and Programmes" outlines the progress in American housing from the earliest rude huts to the rather showy suburban residences of recent real estate developments.

Consideration of this volume shows that there is not going to be a walkover for any particular type of manufacturer of building materials. The respective advantages in various situations of all materials both as substitutes for each other and in combination with steel and copper, wood and brick, asbestos, aluminum, cement, enamel and glass are made plain, and the principal known facts about foundations and floors, roofs and rooms, insulation and air conditioning, sanitation and safety are put forward.

Official Sanction Given

The contention of the committee is that the old trowel and hand method of proceeding with building progress should be abandoned, that the best methods and materials should be applied continuously and everywhere from the outset in the construction of buildings, and that by applying the latest technological methods the cost of the best can also be brought nearer to the average purse than at any time in the past. Changes made in this way will naturally entail less building on the lots and more in the factories, the welding of pipe instead of hand threading it and the building of kitchens and bathrooms in the shop, all ready to be inserted in the shell, just as boilers are now put in the basement. It is even suggested that the making of bedrooms with built-in beds, wardrobes and windows may prove less costly eventually. Moulded doors and windows are suggested.

Houses of steel and copper and aluminum, of wood and masonry and plastics and even of earth rammed between forms by tamper, power or hand, are discussed. The committee recommends rammed earth for rural use where labor is cheap and possibly elsewhere with the help of modern construction devices.

Should Show Houses Here

Canada has not yet had a real demonstration as to possibilities of the new types of building. Aside from interesting exhibits of good building materials, the writer looked in vain at the Canadian National Exhibition last year for buildings of this character. He is convinced that it would be excellent enterprise on the part of the exhibition management or of large companies to have new type houses on exhibition. There is a tremendous amount of potential interest in the subject which may translate itself into business on the coming of better conditions again.

Chicago Leads Way

A good lead in this matter will be given by the Century of Progress Exposition at Chicago from June to November, 1933. The Exposition buildings themselves will embody most that is modern in architecture, will use new materials and will be erected by the new methods of construction. Possibly the general public will find most interest in the exhibition of eight small houses made in the new manner and without respect to ancient prejudices concerning buildings. Of the eight, seven will have flat and useful roofs and all will present advanced ideas in home building.

Insulated steel, sponsored by American Rolling Mill Co., which built the spectacular frameless steel house in Cleveland, will be shown in seven-room house with two baths, garage, solarium (on the roof) and forced-air heating. It will be porcelain enamelled without, and in some places within, and sell for about $5,000.

General Steel Houses Inc., it is stated, will show a steel house. The first all-reinforced brick dwelling in the United States will also be shown built entirely above ground on a slab of reinforced brick masonry. The floors, walls and even stairs are of brick.

Manufacturers of masonite will show a house made of that material. There will be a house built of materials from Florida and a concrete slab house and all with flat roofs except one wooden house which will have its traditional sloped roof in order to display shingles. It is suggested by "Business Week" that if "$50,000,000 people, enough of them bankers, building loaners and builders, can be shown the economies of these new ways of doing things, we shall see more unit rooms, steel floors, insulated panel walls and flat roofs, and neat, small houses at $2,000, which open up vast untouched markets, provide a most effective kind of slum clearance at a profit."

Glass Houses Resist Stones

Owens-Illinois, blowers and moulders of glass, are developing new hollow glass bricks strong enough to build glass houses with. As the first five-sided bricks made became fogged and too easily discolored due to condensation of moisture, the new blocks are 6-sided, made by pressing a 5-sided unit and adding a lid. Hollow glass bricks, hermatically sealed, are supported by a full bed of mortar just as masons are accustomed to do with other bricks. The bricks are coated with cement paste on the sides normally in contact with the mortar. Active waterproofing eliminates air pockets and protects the glass. The future for this glass brick is thought to be in commercial work for store fronts, service station buildings, etc. It is hoped to use the glass blocks also for factories, schools and other buildings where light is of great importance. To eliminate shadows, factories have been built with saw-toothed roofs admitting only north light. It is stated that direct sunlight will not cause shadows on the inside. The sunlight is reflected by the mortar joints and is diffused into a soft and restful light. Architects, it is said, expect much from these blocks in machine shops, operating rooms, drafting rooms and studios. The new bricks resist breakage as they are made of thick, tough glass.

Lumber Takes Up Cudgels

Though lumber manufacturers have been having a continuous fight against the incursion of other building materials for a quarter of a century, they are not being idle in the face of this new great threat. Hitherto they have been comparatively unorganized as compared with their industrial competitors.

In the United States they are getting together with an objective to restore the prestige of wood as a building and industrial material. That prestige has never been lost in Canada and many architects claim that, despite the new materials, the climate of Canada will still make a large use of wood a necessity.

American Forest Products Industries Inc., which has just been organized is seeking as members all those who use wood in its unaltered physical state, but hopes to include eventually the pulp, cellulose and wood chemical industry. The National Lumber Manufacturers' Ass'n is a part of Forest Products, and it is expected that the wood furniture industry, wood, tool and implement manufacturers, makers of flooring, cabinet industries and other wood using groups will join. Probably the strongest part of the fight by the wood-using industry will be to hold the market for small houses.

One plan of Forest Products is to manufacture a house to be delivered on the job in 145 sections or panels instead of 3,000 or 4,000 boards and other parts. Plans are under discussion for attractive, small houses, costing from $1,500 to $3,000, and to develop financial plans so that these can be bought on the basis of monthly payments as low as $20.

Canada's Leather Production Increases Greatly in 1931

There were large increases in the leather production of Canada in 1931 although values were reduced considerably. Under the head of sole leather, the quantity of oak tanned sides decreased from 19,078,053 pounds in 1930 to 17,369,735 pounds in 1931, but under the classification of upper leather, the production of cattle and horse hides increased from 12,467,020 sq. ft. to 13,812,985 sq. ft.; of calf skins from 7,580,963 sq. ft. to 7,987,525 sq. ft.; of patent and enamelled show leather from 7,441,369 sq. ft. to 8,372,975 sq. ft.; and of chrome and splits from 4,146,482 sq. ft. to 6,798,644 sq. ft.

Harness leather, as might be expected, shows the largest proportionate decrease, totalling only 1,278,028 pounds in comparison with 2,988,152 in 1930, a decrease of 57 per cent. Glove, trunk, bag and pocketbook leather shows an increase over 1930 of 2,179,484 sq. ft. or 25 per cent. The total value of the production in 1931 was $15,778,789, a decrease of 21 per cent from 1930.

The tanning industry is centred chiefly in the province of Ontario the value of output of the Ontario tanneries in 1931 amounting to $13,625,146, or 86 per cent of the total output for the Dominion.

FARM LOANS MADE BY SASKATCHEWAN ARE NOW ADJUSTED

Premier Explains Policy—Cancel Year's Interest and Amortize Arrears

In the course of a radio address in Regina, Sask., on January 4, 1933, Premier J. M. Anderson, of Saskatchewan, gave the following summary of what the government has done to adjust debts due the province by the people and what the legislature will be asked at the coming session to endorse as current policy:

"It has been asked, what has been done to adjust debts due the province from her people. Here is what we have done:

"(a) In the case of all crown lands sold since we assumed control of our Natural Resources, we have forgiven interest for four years. In the case of those who have paid interest, the amount will be applied by way of a reduction of the principal.

"(b) Until the end of December 1932 all payments of advances of seed grain or direct relief, made by the Relief Commission, could be made by the delivery of wheat at 70c per bushel, on basis No. 1, Fort William. Pegged prices were also set for other grains.

"(c) I wish to make a further announcement this evening which should hearten and encourage those farmers who have secured loans from our provincial Farm Loan Board. Here is what we have decided should be done with the idea that every Farm Loan Board borrower will start out the first of 1933 without being in default to the extent of one cent in so far as his indebtedness to the Board is concerned. The government has decided to ask the legislature to endorse the following policy:

"1. Cancel all interest charged on loans as between November 1, 1931 and November, 1932.

"2. Credit on principal all payments made by mortgagors in respect to interest charged as between November 1, 1931 and November 1, 1932.

"3. Amortise all arrears of interest prior to November 1, 1931 repayable over a period of five years with interest chargeable on arrears thus amortised at 5 per cent. The first payment to be due November 1, 1933.

"4. Amortise other charges and arrears of principal as of November 1, 1932 over a period of ten years, the first payment to be due November 1, 1933 with interest chargeable on the amount amortised in this way at 6½ per cent, the rate now fixed by legislation.

"5. It was also decided that, if the price of wheat is still low in the fall of 1933, consideration may be given to pegging prices for interest payments.

"6. It was also decided that, bearing in mind the record of the borrower in the history of his loan and his efforts in working the land, there be reserved in the interests of the Board and the mortgagor the right to require a crop lease."

RETAIL TRADE SLOW EXCEPT IN STAPLES

Credit Men's Association Reports Little Activity Except by Sales

The weekly trade report of the Canadian Credit Men's Trust Association Limited for the week ending January 14, 1933, is as follows:

Halifax—Trade generally shows considerable decrease in volume of sales during the past week, probably due to the extremely mild spell of weather. Collections reported slow.

Saint John—Wholesale trade reported quiet. Retail trade quiet except in small lines. Heavy goods not moving on account of mild weather. Collections poor. The winterport traffic is reported disappointing so far as actual freight is concerned.

Montreal—Wholesale trade generally report a very quiet week, with retail business rather dull and volume disappointing. Collections both wholesale and retail poor.

Toronto—Wholesalers report business naturally quiet as many companies have not as yet organized their sales staff to go out on the road. Wholesalers and manufacturers anticipate obtaining a fair number of small orders, as stocks in most instances are reduced to unusually low figure. Retail merchants generally report business dull and larger stores are running extensive sales. Building, locally, practically stagnant. Collections slow to fair.

Winnipeg — Manufacturing continues quiet. Wholesalers report trade during past week rather dull; groceries keeping up fairly well, with very little movement in other lines. Retail trade generally very quiet and larger stores running special sales. Collections, city fair; country, fair to slow.

Regina—Wholesalers report groceries fair. Dry goods trade shows a slight reduction, probably due to lesser number of relief orders being given. Hardware slow. Retail trade for both city and country very quiet. Wholesale collections show reductions being made on current accounts only. Retail city collections fair to slow. Country poor.

Moose Jaw—Wholesale boots and shoes reported quiet; wholesale and retail hardware business fair; retail general dry goods fairly good. Collections fair.

Saskatoon—Wholesale grocery sales reported fairly good, although slightly lower in comparison with those of December. Boots and shoes, and hardware, fair only. Dry goods fair to slow.

Calgary—Volume in wholesale and retail groceries keeping up fairly well. All other lines moving very slowly, volume being quite disappointing. Collections on current accounts being taken care of satisfactorily with very little being paid off on old past dues.

Edmonton—Buying, wholesale and retail, reported at a very low level for past week. Collections largely on current accounts only.

Vancouver—Very little change in trade conditions reported since last week. Merchants generally report business as extremely quiet. Collections in some quarters are reported very good, while other lines report them as declined to be slow.

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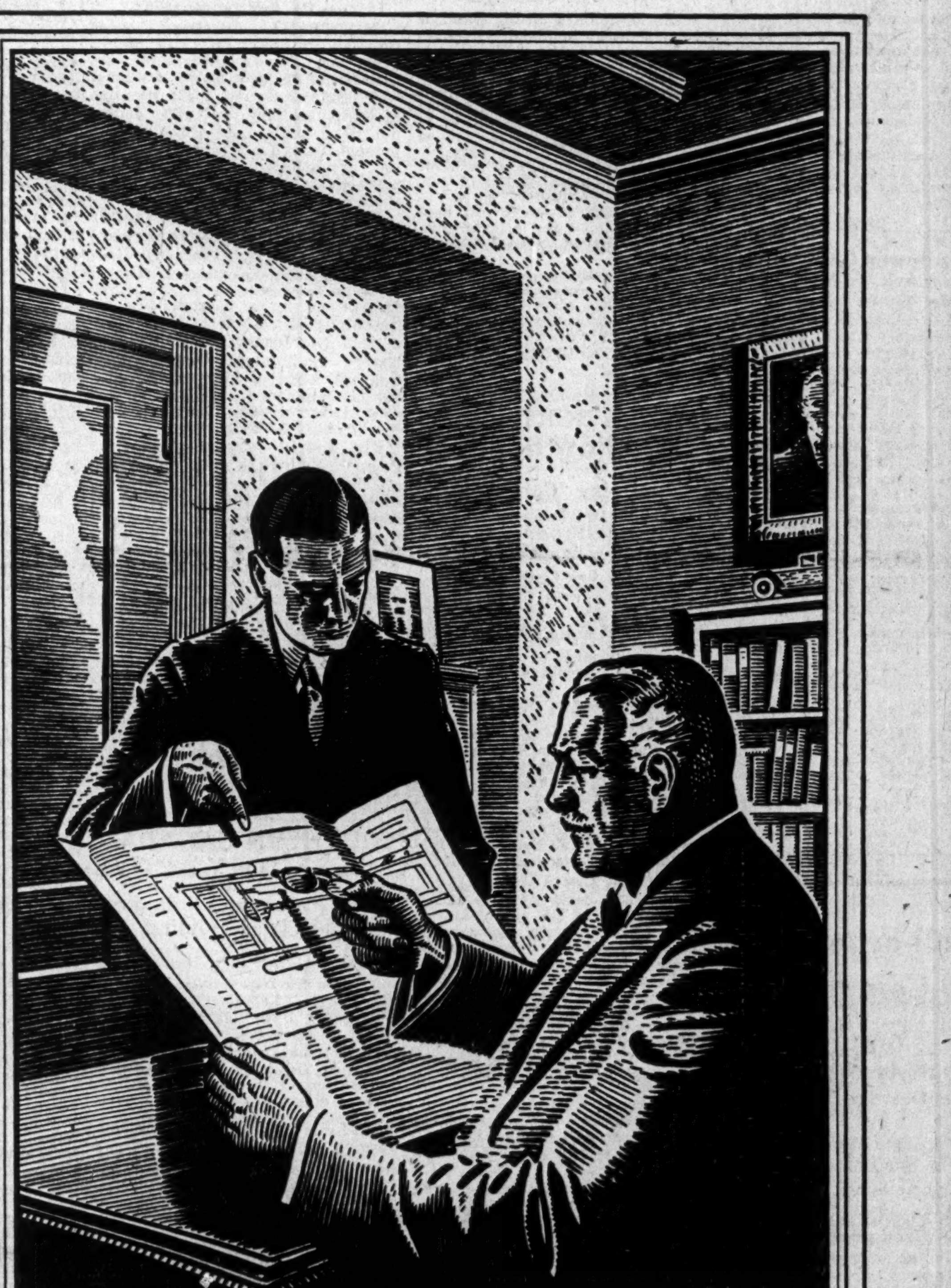
1920-1929



"That should be ... Nickel Steel!"

During the war period all attention and efforts were devoted to the production of nickel and more nickel for the Allied armies—other markets had to be forgotten.

The war ended; overnight 90% of the existing market for nickel disappeared ... Now new uses and markets had to be found to absorb the increased production of nickel if the plants at Sudbury were to be kept operating and men employed.

A Sales and Development Organization was immediately created and built up to carry the story of Nickel and Monel Metal into every industrial country of the world. A special Research Department was organized—new uses for Nickel and Monel Metal were steadily developed.

Trained metallurgists took off their coats in the foundries, rolling mills and metal working plants and demonstrated how and where to use Nickel and Monel Metal to secure longer life and better performance of their products.

Soon in industrial plants and architects' offices throughout the world, was constantly heard—"That should be Nickel Steel"—or—"Monel Metal should be used here"—

It is a matter of pride to this Company that through the wholehearted cooperative effort of every part and employee of this organization, in 1929, only ten years after 90% of nickel's existing market was wiped out by the termination of the war, more nickel was produced and sold for industrial use than at the peak of wartime production.

This achievement is recognized as one of the great industrial sales accomplishments of modern times.

MONEL METAL — NICKEL

Greater use of Nickel and Monel Metal means a greater measure of prosperity for Canada.

Large ore reserves are of little value unless a correspondingly large demand exists—world markets are essential.

Send for "The Story of Nickel" a booklet dealing with the history and development of Nickel. Write to the Company at 25 King St. West, Toronto.

THE INTERNATIONAL NICKEL COMPANY OF CANADA LIMITED

Utilities and Transportation

MONT. POWER NET EARNINGS HELD UP IN 1932

Share Earnings, However, Not Likely to be as Large as in 1931

From Our Own Correspondent

MONTREAL.—Even though output, sales and gross revenues were affected,. Montreal Light, Heat and Power Consold. did not suffer any material decline in net earnings during 1932.

This was the substance of a letter, forwarded to shareholders with the current dividend check, which went on to say that this result had been accomplished within the narrow margin that the nature of the business allows, aided by the fact that the company's financial structure has always been distinguished for stability; that undue expansion had always been avoided, and that a considerable proportion of revenue was and is derived from extraneous sources.

Figures Not Available

No figures are given as to the extent of earnings during the past year. The last official statement on earnings covered the four months period ended April 30, 1932, when net earnings before depreciation and income tax totalled $5,592,222. This compared with $5,503,114 for the corresponding period of 1931. After providing for fixed charges, the income account for the first four months last year showed $4,493,487 available for dividends which amounted to $2,223,561. In the same period of 1931, balance for dividends was $4,304,232 and dividends $2,072,464.

For all of 1931 earnings on the capital stock of Montreal Power amounted to $2.17 a share, as against dividend requirements of $1.17.

It is not expected that share earnings will be as large for 1932. While gross and net operating earnings are reported as relatively well maintained, fixed charges were appreciably higher owing to the issuance of the new debenture stock, while the number of shares outstanding also recorded an increase. This will have an effect upon the amount of earnings available for distribution on a share basis.

Gatineau Power Co. Sets Mark in November

From Our Own Correspondent

MONTREAL.—Electric energy generated in November last by Gatineau Power Co.. controlled by Canadian Hydro-Electric Corp., was the highest for that month in the history of the company. Production reached 245,323,000 kw.h., or 15 per cent over the same month last year.

For the first eleven months of 1932, the output of Gatineau Power was 2,293,362,000 kw.h., within one-half of one per cent of the all time high for that period made in 1930. Compared to the same period last year, output was 4 per cent higher.

Public Utility Earnings

Southern Canada Power

December:	1932	1931	Decrease
	$	$	$
Gross earn. ..	190,290	205,444	15,154
Oper. exp. ...	61,385	74,803	13,418
Net earn.	128,905	130,641	1,736
3 Months:	1932	1931	Decrease
	$	$	$
Gross earn. ..	567,883	600,573	32,740
Oper. exp. ..	187,461	228,164	40,703
Net earn.	380,372	372,409	*7,963

*Increase.

McColl-Frontenac Oil Company

6%

First Mortgage Bonds due Oct. 1st, 1949

Four facts which recommend these bonds:

1. The Company is engaged in Dominion-wide distribution of essential products.
2. The Company's record is one of consistent progress.
3. The bonds are payable in Canada, England and U.S.
4. The yield at current prices is 7.15%.

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'Phone Directory Reveals Losses

From Our Own Correspondent

MONTREAL. — Examination of the new telephone directory for Montreal, indicates that since the last issue the Bell Telephone Co. has experienced a net loss of around 9,000 stations for that area alone. There are 28 pages less of listings in the current directory, and with an average of about 325 names to a page, the aggregate loss approximates 9,000 stations.

No figures have been issued by the company as to the net loss of stations during 1932 for the whole of the system, but preliminary indications point to a loss of around 50,000 stations. At the end of 1931 the company had installed 774,733 stations. This compares with the record figure of 784,796 at the close of 1930.

Private Utility Championed by Quebec Premier

From Our Own Correspondent

MONTREAL. — Private ownership of public utilities does not lack for champions in the Province of Quebec, not the least of whom is Premier L. A. Taschereau.

During the current session of the provincial house, a bill will be introduced by the city of Quebec providing for authorization to expropiate the Quebec Power Co., controlled by Shawinigan Water and Power Co., and municipalize electricity for domestic and commercial purposes.

Views Are Unchanged

When questioned on his stand on the principle involved, Premier Taschereau had the following to say:

"It is well known that I prefer private ownership to public ownership in matters of public utilities. In my opinion, one must stick to a system when it has been long in operation It would take hundreds of millions to expropriate public utilities in Quebec, if ever we decided to do it. while in Ontario it would cost hundreds of millions for private companies to buy the Hydro-Electric system.

"The latter has been responsible for a huge increase of the public debt of Ontario, while the taxpayers are being burdened more than our neighbors are willing to admit to maintain and extend the operations of the system."

CANADA NORTHERN SETS NEW RECORDS

Gold Mining Camps Take More Power to Handle Larger Production

From Our Own Correspondent

MONTREAL.—Both gross and net earnings of Canada Northern Power Co. reached record peaks in November reflecting the sustained activity in the mining areas of the company, according to a circular despatched by the management to shareholders. Among other things, the letter says, in part:

"Another indication of the progress being made, both in the territory served by your company, and by the company itself, is furnished by the increase in the number of customers connected with our lines, which on November 30th stood at 12,396 as compared with 12,290 on October 31, 1932 and 11,313 on November 30, 1931.

Gold Camps Active

"There is a decidedly busy atmosphere in each of the gold-producing camps which we serve, and preparations are under way for several increases in the scale of operation. At the Lake Shore Mine, work is well advanced on the construction of an addition to the mill for the purpose of recovering ore in the tailings.

"The sinking of the new central shaft at Wright-Hargreaves Mine has become sufficiently advanced that preparations for installing a new hoist motor are being made.

"It is reported that arrangements have been made at the McIntyre-Porcupine Mine to sink a new shaft from the 3,750-foot level.

"Work is also well advanced on an addition to the concentrator at Noranda Mines in Rouyn Township, Quebec.

"The operations indicated by the foregoing developments, together with others of a more routine nature, give every reason for believing that the progress made by your company will be maintained."

New Westminster Port Activity

Shipping last year at the Port of New Westminster has shown increasing activity, there having been 310 deep sea vessels handled at the port with registered tonnage of 1,085,000 tons compared with 301 vessels of 1,052,865 tons in 1931. In 1921 the number of deep sea vessels handled at New Westminster was 13 with a net tonnage of 45,000 tons.

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SOUTH. CANADA POWER EARNINGS GAIN IN QUARTER

First Three Months Show Slight Increase Over Previous Year

From Our Own Correspondent

MONTREAL.—Net earnings of Southern Canada Power Co. in the first quarter of its current fiscal year amounted to $380,372 compared with $372,409 in the same period of the previous year. Gross revenue in the first three months ended December 31, 1932, showed a decline of $32,740 at $567,833 but operating expenses were reduced by $40,703 to $187,461.

Both gross and net earning showed a decline in December, the last month of the quarter. In that month gross was down $15,154 at $190,290 and net earnings were lower by $1,736 at $128,905.

Industrial Conditions Stable

Shareholders are informed that industrial activities in the districts served continue stable with some little expansion in several municipalities. Volume of merchandise sales have showed an improvement over the previous quarter. In this connection it is stated that special sales have been carried out in a few districts and these were successful enough to justify further development of this effort.

PRAIRIE POWER MAKES PROGRESS IN PAST SEASON

Calgary Power's Subsidiary Operates System in Saskatchewan

From Our Own Correspondent

MONTREAL. — Prairie Power Co., Calgary Power Co.'s subsidiary operating in Saskatchewan, is understood to have made satisfactory progress during 1932. Details of this subsidiary's activities have not been made public up to the present though a broad outline of its operations was announced when Calgary Power acquired the system.

Prairie Power Co. had its beginnings in 1930 when Calgary Power Co. purchased from Montreal Engineering some 555 miles of transmission lines and a distribution system serving 52 communities in Saskatchewan. Operations of this system had formerly been in the charge of Montreal Engineering Co. but when it changed hands, Prairie Power Co. was formed to control its activities.

Serves Wide Area

The district served by Prairie Power includes the area surrounding Regina and extending southeasterly toward the international boundary. Power is purchased from Regina, National Light and Power Co. at Moose Jaw, and from Weyburn. Territory served may have been extended during 1932 but to date no information has been forthcoming on this point.

Acquisition of the system found reflection in the 1930 balance sheet of Calgary Power Co. which showed fixed assets valued at $19,880,062 compared with $16,008,346 at the end of the previous year. Financing was carried out through the sale of $2,000,000 of Calgary Power 5 per cent first mortgage bonds in November, 1930.

SOUTHERN CANADA TERRITORY ACTIVE

Power Company Reports Industries Holding Own

From Our Own Correspondent

MONTREAL.—Industrial activities throughout the Southern Canada Power territory continue stable, with some little expansion in several municipalities, according to a letter forwarded by the management with the current dividend check. It goes on to say:

"At Granby, the Stedfast Rubber Co. have begun developing many new lines. A newly formed department has been inaugurated in which finished goods such as crib sheets, hospital sheeting and miscellaneous items will be manufactured. In addition to the above it is the intention of the management to begin manufacturing "Sterilastic" a new sterile bandage. This new product has found a wide market in the United States. The Esmond Mills, manufacturers of blankets and similar materials, also located at Granby have renewed their present lease for a long period and are planning considerable extensions in connection with their manufacturing facilities.

Industries Are Active

"At Drummondville, the Eagle Pencil Co. of Canada, manufacturers of lead pencils and mechanical pencils are now manufacturing locally the Blaisdell paper pencil. All the other industries report active operations and Canadian Celanese and some others are working night and day to fill orders.

"At Richmond, La Diva Shoe Co., manufacturers of women's shoes report steady progress.

"The volume of merchandise sales shows an improvement over the previous quarter. In addition to our regular endeavors, special sales were carried out in a few of our districts, and have been sufficiently successful to justify a further development of this effort and plans are being made accordingly."

Expected Gains in Paper Trade Unrealized in 1932

From Our Own Correspondent

MONTREAL. — Expected gains in the American paper trade were unrealized in 1932, according to a survey of the industry prepared by R. G. Dun and Co. The slight improvement in the demand for paper last fall, which marked the first check in a downward trend of more than two years' duration, was short-lived. In a few weeks, the Review says, prices again started to sag and in some instances drifted under their previous low levels. As a result, 1932 closed with the tonnage production of all classes of paper, including newsprint, uncoated book, paper board, wrapping, bag, writing. tissue, hanging, building, and all other grades, revealing a drop of approximately 20 per cent from the 1931 level.

Some encouragement is provided, the Review goes on to say, by the fact that this figure was less than the 28.1 per cent recorded for tonnage output in 1931, as compared with that for 1930.

Union Gas Earnings Gain in Current Year

Authoritative sources state that in the first eight months of its fiscal year which began on April, 1932, Union Gas Company of Canada and subsidiaries, serving Hamilton, Windsor, London, Chatham, Sarnia and many smaller communities, showed an improvement in both gross and net earnings and a betterment in working capital.

Although the company's largest earning period is in the last half of its fiscal year, there was noted an improvement through the summer and early fall. Operating expenses were reduced about 20 per cent and net earnings, after interest and depreciation but before federal taxes were in excess of $100,000, compared with a deficit of $30,000 for the corresponding period of the previous year.

TRAFFIC ON CANALS GAINED LAST YEAR

Improvement of 10 Per Cent Reflects Larger Shipments of Wheat

From Our Own Correspondent

MONTREAL.—Shipping tonnage in Canadian canals during the season of navigation in 1932 showed a 10 per cent increase over the previous year, traffic through the Welland, the St. Lawrence and the Canadian lock of the Sault Ste. Marie canal all showing gains over the previous year. Heavy movement of wheat was the chief factor in increasing the total tonnage.

Traffic started through the Canadian lock of the Sault Ste. Marie canal on April 17 and closed on December 16, amounting to 2,334,079 tons, an increase of 114,512 tons compared with 1931. Traffic through the United States locks decreased by 57 per cent due to a large decrease in iron ore tonnage. Traffic through all the Soo locks recorded the lightest tonnage since 1897.

Improved shipping conditions on the Welland canal showed their effects last season and traffic increased by 1,261,755 tons to 8,535,641 tons, a new high record for this canal. Wheat tonnage increased from 2,146,418 tons in 1931 to 2,926,509 tons last season. Decreases were recorded in tonnage of coal, iron ore and sand.

St. Lawrence Canal's Gain

Reflecting the heavy movement of wheat through the Port of Montreal, tonnage through the St. Lawrence canal increased by 656,820 tons to 6,693,800 tons in 1932. This, however, was not a record as it was exceeded in 1927 and 1928. Increase in wheat tonnage amounted to 763,075 tons or 39 per cent.

Though these figures indicate increased activity for Canada Steamship Lines' grain boats, passenger traffic showed a sharp drop. Last season passenger traffic amounted to only 1,784 passengers as compared with 43,866 in 1931 and 51,848 in 1930.

CEMENT PRESIDENT COVERS SITUATION

J. D. Johnson Tells Shareholders Prospects for Revival of Business

From Our Own Correspondent

MONTREAL. — Though not pessimistic over the outlook for new business. J. D. Johnson, president of Canada Cement Co., told shareholders at the annual meeting, that it took the building business some time to gain momentum after a revival in general business takes place and while the immediate outlook was not encouraging, still he was hopeful of an improvement.

In his remarks Mr. Johnson said, in part:

"The building industry was very hard hit during the fiscal year which the report covers with a consequent curtailment in the consumption of cement which in percentage decline in a single year is unprecedented in the history of the industry. The total consumption was less than for any year since 1918 which was the last year of the war when the country's whole efforts were directed to the prosecution of the war and little building was done.

Highlights of Finances

"As the report indicates, the earnings of the company are down very materially from the previous year. Nevertheless bond interest was paid and 50 per cent of the dividend on the preferred stock, $445,500 of the company's bonds were purchased and retired through the sinking fund and $300,000 purchase money obligations were redeemed. Notwithstanding these and other additions to depreciation and reserves, the liquid position of the company has been fairly well maintained.

"The immediate outlook for a revival in the building industry is not very encouraging. This does not mean that we are pessimistic about the future but that it will take the building industry some time to gain momentum after a revival in general business takes place. There has as yet been no very definite upturn in general business conditions but you will have noted that throughout the past two years prognostications of future business have become more and more conservative. I think it is safe to say, however, that there is more genuine hope at the present time that a turn for the better is in the making than at any time in the recent past."

Depression Costs I. P. Co. Over $15,000,000 Annually

From Our Own Correspondent

MONTREAL. — Earnings of International Paper and Power Co. would be $15,000,000 more annually than it now is were it not for the depression, according to a statement made by the president of the company, A. R. Graustein, in testifying for the defence in a suit brought by Harry Helfman, of Detroit, to compel directors of the American Light and Traction Co. to account for alleged losses of $25,000,000. The complainant charged that purchase of International Paper stock by American Light and Traction resulted in a loss of more than $5,000,000.

The depression has caused an extreme decline in production, said Mr. Graustein. The newsprint industry is operating "at distinctly less than 75 per cent of capacity at the present time," he said.

Bishop Realty Bonds Given $70.88 for $100

From Our Own Correspondent

MONTREAL. — Holders of Bishop Realty Corp. general and refunding mortgage bonds approved proposals put before them at a recent meeting whereby their bonds will be exchanged for cash. Under the plan the $182,000 of general mortgage bonds will be exchanged for $129,018 or $70.889 for each $100 bond.

Bondholders are now required to surrender their bonds with all coupons attached maturing August 1, 1932, to maturity, to the Montreal Trust Co Bishop Realty Corp. owns the Medico-Dental Building in Montreal; the bonds were issued in 1930 by W. A. Mackenzie and Co.

TORONTO MTGE. SHARES EARNED $6.51 IN 1932

Assets Exceed $5,000,000 for First Time — Sells More Debentures

Toronto Mortgage Co. had an income of $321,376 and net profit of $128,458 in 1932 as compared with income of $312,138 and net profit of $132,999 in 1931. Increase of Dominion, provincial and municipal taxes from $16,706 to $25,120 accounted largely for the drop in net profit. The company earned $6.51 per share on the 19,730 shares of $50 par value stock paid up and outstanding as against $6.74 per share the previous year and after paying $6 per share in dividends increased surplus to $88,442 from $78,364.

For the first time in the company's history total assets at $5,013,719 exceed $5,000,000. Sterling debentures outstanding increased to $1,973,464from $1,874,233; currency debentures showed little change at $612,926 and savings deposits are up to $107,596 from $94,285. Total liabilities to the public are $2,744,136.

Included in assets are mortgages at $4,289,498 representing practically no change since 1931. Real estate held for sale is carried at $22,490; the net increase for the year. Government, municipal and corporation bonds are carried at $385,025 compared with $345,189 in 1931. Dominion and provincial direct and guaranteed issues total $304,242; municipal debentures, $56,905 and other bonds, $23,878. Stocks, fully paid up, are carried at $117,850 while cash is up to $133,988 from $77,446 in 1931.

Paid up capital stock of the company remains at $986,500 against which there is a reserve fund of $1,165,022. The record of the company's earnings over the past six years is as follows:

Earnings Record

Year	Paid-up capital	Net profits	Div. rate*	Rate* earn. per sh.
	$	$	%	$
1927 ...	724,550	112,539	10+1	7.76
1928 ...	724,550	112,628	12	7.77
1929 ...	724,550	110,877	12	7.65
1930 ...	974,888	120,185	12	6.16
1931 ...	986,500	132,999	12	6.74
1932 ...	986,500	128,458	12	6.51

*Based on fully paid-up capital stock. Par value $50.

FATE OF QUEBEC WORKMEN'S ACT BEFORE COURTS

Province Appeals Decision That Commission is Illegal

From Our Own Correspondent

MONTREAL.—Fate of the Quebec Workmen's Compensation Commission, as well as that of other similar bodies in Canada, depends largely upon the outcome of present legal proceedings in the Quebec courts.

Paul Slanec, through counsel, claims that the commission usurps the functions of a Superior Court and accordingly acts illegally. This view was upheld by Mr. Justice DeLorimier, of the Superior Court, but has been taken to the Court of Appeals by the Attorney-General of Quebec. Expectations are that the case will finally go to the Privy Council before it is settled.

The legal proceedings are the outcome of Slanec's case which raised the question of the validity of the Workmen's Compensation Commission Act. Slanec is a workman, who was injured while in the employ of William Grimstead.

Arguments Put Forward

Under the British North American Act, the respondent argued before the Court of Appeals, the provinces create and organize the courts within the limits of their respective territorial jurisdictions, but to the federal power alone is reserved the right to name judges of superior, district and county courts. This provision, that only the federal power may name the judges, the Privy Council has qualified as a "cardinal provision of the statute," it was contended.

Accordingly, the incriminated laws should be declared ultra vires and unconstitutional if they pretend to invest the Workmen'sCompensation Commission with judicial powers of a nature to make them like those of a judge of the Superior Court.

It has been contended by the Attorney-General that the commission is an administrative, rather than a judicial, body; but this is denied by the respondent, who declares that whereas administrative bodies, which are an auxiliary of state ministers and their subordinates, do not exercise the functions of a court of justice, the Workmen's Compensation Commission does exercise such functions.

The respondent carried the argument back to the time of Confederation, to show what were the powers of the Superior Court at that time and to demonstrate that it possessed those powers which, by the Quebec statute, have been delegated to the Workmen's Compensation Commission.

The Workmen's Compensation Commission Act is cited by the respondent to prove that the commission is vested with judical powers. It hardly needs demonstration, the respondent claims, because the commission can interpret a law, decide upon its applicability to concrete cases, and establish, after enquete, the rights of the respective parties. These, it is claimed, are undoubtedly judicial powers.

Exercises Civil Rights

A workman who claims indemnity following an industrial accident, it is contended, exercises a civil right. This being so, the demand for indemnity necessarily falls among those "actions, causes and civil matters," adjudication upon which has always been reserved to the Superior Court when they exceed the competency of the Circuit Court. This argument is fortified by the assertion that when in 1909 the Workmen's Compensation Act was placed in the hands of the Superior Court for administration, it did not confer any powers on that court which it did not already possess. It followed, then, that when the Workmen's Compensation Act gave exclusive jurisdiction to the commission, it took from the Superior Court powers that it possessed and had exercised.

As a closing argument the respondent declares that if the encroachment on the part of the Legislature is wrong, in itself, the wrong is aggravated by the fact that the Legislature has thrown out all the safeguards set up by the British North America Act to assure the competence of judges of the Superior Court and their independence of the executive power.

For these and other reasons the respondent asks that the judgment of Mr. Justice DeLorimier be confirmed.

LAMBTON LOAN EARNS DIVIDEND

Transfers $150,000 to Investment Reserve — Has More Real Estate

Lambton Loan & Investment Co. of Sarnia earned $67,384 in 1932 after provision for all expenses and taxes as against $83,574 in 1931. Net profit in 1932 just covered dividends of 8½ per cent which amounted to $67,129. Surplus carried forward was slightly increased to $15,229. Debentures in the hands of the public decreased to $1,659,062 from $1,806,248 and deposits were down to $905,914 from $974,886. Bank bills payable are up to $270,000 from $169,283.

Mortgages and agreements of sale and accrued interest are down to $3,729,467 from $3,841,337 while real estate held for sale is up to $140,338 from $77,104. Loans on stocks and bonds have been reduced to $134,628 from $183,328; Dominion of Canada and provincial bonds are valued at $199,891 against $254,643 in 1931; municipal bonds are down to $168,205 from $181,503. Cash is up to $48,782 from $6,824. Premises are valued at $19,655.

The company has 15,795 shares of $50 par value outstanding and reserve fund amounts to $800,000. During the past year $150,000 was transferred from general reserve to investment reserve. Earnings of the company since 1928 have been as follows:

Earnings Record

Year	Paid-up Capital	Net Profits	Div. Rate	Rate Earned
	$	$	%	%
1928	789,750	109,176	10+2	13.8
1929	789,750	100,726	10+2	12.7
1930	789,750	95,160	10+2	12.0
1931	789,750	83,574	10	10.5
1932	789,750	67,884	8½	8.5

Lambton Trust Profit Shows Small Increase

Lambton Trust Co., Sarnia, Ont., earned $10,342 in 1932 as compared with $10,275 in 1931 and paid initial dividend of 5 per cent on the $50 par value stock of which there is 6,080 shares 50 per cent paid up and 180 shares fully paid. With total capital assets of $224,725 the company has $204,314 invested in mortgages, $14,893 in bonds and cash of $5,518. Assets of the estates department total $173,897.

The company has a general reserve fund of $50,000 and surplus of $13,725. Earnings of the company since 1929 are as follows:

Earnings Record

Year	Paid-up Capital	Net Profits	Div. Rate	Rate Earned
	$	$	%	%
1929	159,500	11,762	.	7.3
1930	160,500	6,664	.	4.1
1931	160,500	10,275	.	6.4
1932	161,000	10,341	5	6.4

St. Catherine Street Realty Successfully Defend Case

From Our Own Correspondent

MONTREAL. — Trustees of St. James United Church were unsuccessful in their court action to secure an injunction preventing the St Catherine Street Realty Co. from paying interest on its bonds because the company had failed to meet in full Montreal property taxes on land leased by the church to the company. In giving judgment Mr. Justice Surveyer held that a simple contract creditor had no right to restrain a debtor company from dealing with its assets as it pleased.

His Lordship decided that for such a complaint an injunction is not the proper remedy, inasmuch as the lease between the parties provides a definite course of procedure, should payments of rent or taxes fall in arrears.

Buy Dominion of Canada Bonds to Yield 4.67%

Dominion of Canada

4½% Bonds due November 1st, 1958

(Ex talons)

Denominations: $100, $500 and $1,000.

Dominion of Canada Bonds provide the highest available security for Canadians. The 4½% Bonds due 1958 are exempt from Dominion of Canada Income Tax until November 1st, 1933.

Price: 97.50 and interest, yielding 4.67%.

Mail orders receive prompt attention.

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OUR SLOGAN:— "SAFETY SERVICE STRENGTH"

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Remarkable Progress! The record of 1932

"We built our business for days like these."

Never in the 58 years of London Life history have we had a more gratifying report than for the troublesome year 1932!

Success A Measure of Service

1 More people than ever before bought London Life policies for future provision for themselves, their families and business interests. The new insurance purchased from the London Life amounted to

One Hundred Million Dollars ($100,463,094) —an increase of $5,361,184 over 1931

2 The security of the Company, which stands back of all policies has been further strengthened.

The Assets have been written down where necessary or reserves set up to fully take care of depreciation. The Assets now amount to $77,558,312, an increase of $5,336,895.

The Policy Reserves are greater by $5,120,740 than required by the Dominion insurance law.

The Free Surplus on the Company's own high standard has been increased to $3,111,151. This surplus is in addition to (1) all special policy and investment reserves set up in this and former years, and (2) the full provision made for all profits accruing and profits due to policyholders in 1933.

Interest earned on invested assets, 6.33%.

3 The Income amounted to $19,690,248—a substantial gain over 1931.

4 The funds of the Company are never idle. They are kept fully invested in non-speculative enterprises, chiefly government and municipal bonds and first mortgages on improved real estate. The increase in our business has meant, therefore, a correspondingly greater contribution through such investments to the welfare of the country.

Dividends to policyholders will be on the same high scale throughout the coming year. To purchase London Life participating policies is to share in the Company's success.

Established 1874

London Life Insurance Company

"Canada's Industrial-Ordinary Company"

HEAD OFFICE - LONDON, CANADA

QUEBEC BONDS ARE WELL SOLD; MARKET FIRMER

Rumor Indicates Ontario Hydro Issue Will be Next Offering

MAY BE $10,000,000

Province May Have Covered Sterling Requirements on Toronto Power Debs. Called for May 1

Sale by a Bank of Montreal syndicate of $9,000,000 of 4½ per cent 30 year bonds of the Province of Quebec on a yield basis of 4.60 per cent was completed successfully within three days of the initial offering made on January 10 and very few bonds are available at the present time. The first important piece of new financing in 1933, this Quebec issue has assisted in giving a somewhat firmer tone to the Canadian bond market and other provincial borrowers can be expected to offer bonds in the next few weeks.

Rumors predict the offering of up to $10,000,000 of 4½ per cent bonds of the Ontario Hydro-Electric Power Commission which would carry the guarantee of the province. The guaranteed debenture stock of Toronto Power Co. which is guaranteed by the Hydro Commission has been called for redemption on May 1 and latest figures show $6,522,886 of this stock outstanding. The issue is payable in sterling and it is believed that the province has already made commitments at a substantial discount with a view to retiring this issue. On March 1 there also falls due $3,353,500 of 5 per cent bonds of Electrical Development Co. which carry the provincial guarantee. Other provinces are also in need of funds but it is felt that bonds of the Maritime provinces would be in greater demand than would bonds of the western provinces which could only sell issues at prices to yield more than 6 per cent.

The County of Lincoln has sold $251,000 of 5½ per cent 10 year bonds at a cost basis of 5¼ per cent to Matthews & Co. and R. A. Daly & Co. This issue was sold readily by the underwriters chiefly to institutional investors and is an indication of the market for high grade municipal issues.

HYDRO SECURITIES REDEEMS BLOCK OF PREFERRED

Dividend Requirements in 1932 Reduced to Low Figure

From Our Own Correspondent

MONTREAL. — Though supplementary letters patent were granted but a short time before the close of the year, balance sheet of Hydro-Electric Securities Corp. as at the end of 1932 is expected to show redemption of a small block of class "B" preferred shares. Previous to obtaining permission to purchase its preferred shares at prices not exceeding par, the company had no ability to redeem this class of stock.

At the end of 1931 there was outstanding $10,062,000 of class "B" preferred. This figure compared with $20,000,000 shown at the end of the previous year, the difference representing shares surrendered by two subscribers to the company's common stock in payment of a liability of that amount. On receipt of the class "B" shares by Hydro-Electric Securities, they were cancelled.

Dividend Needs Reduced

Through cancellation of these shares, dividend requirements on the class "B" stock have been materially decreased. In 1931 disbursements at the rate of 5 per cent on the par value $10 class "B" stock involved an outlay of $1,000,000. In 1932 dividend payments will approximate $500,000. Further, no disbursement has been made on the common since a payment of 10 cents a share was made in March, 1932; accordingly common dividends last year totalled but $147,639 against $1,476,393 in 1931.

Total dividends paid in 1932, therefore, amounted to around $647,000 against $2,476,393 in the previous year. No figures on earnings have been made available during the past twelve months but it is expected that income has shown contraction as compared with 1931. In that year net profit was $2,968,465 which was sufficient to take care of dividends paid and leave a surplus of $492,072.

Further depreciation in the company's investment portfolio may also be anticipated. At the end of 1931 investments were carried at $26,272,432 which included provision for a depreciation of $26,808,895 from cost value.

STOBIE FORLONG ASSETS $1,025,674 DEFICIT $2,975,170

Brokerage House Creditors Elect to Support Trustee

At a meeting of creditors of Stobie Forlong Assets Ltd., held in Osgoode Hall, Toronto, on January 17, Fred P. Higgins was retained as trustee in bankruptcy supported by inspectors Messrs. Caldwell, Rittenhouse, West and Simpson, thus successfully opposing the criticism levied by the contentious element seeking control of the administration of the company's affairs. The meeting became so undecorous as to necessitate Irwin Hilliard, K.C., Master of the Supreme Court, restoring order.

Creditors were informed that liabilities of the company were $3,575,138 of which $3,532,049 is represented by the net claims of the unsecured creditors. Assets of the company total $1,025,674 made up of marketable securities, $114,389 after depreciation; dividends on securities, $1,372; loans and advances to mining companies, $531,730 of which $128,789 are likely collectable; accounts receivable, $106,019; investments, $150,634; exchange seat, $5,000; furniture and fixtures, $6,931; cash on hand, $12; cash in bank, $21,064; cash retained by N. L. Martin as trustee for Stobie Forlong & Co. and for unclaimed dividends, $40,112; in trust by E. R. Read and T. H. Roadhouse, $25,641.

Included in the liabilities are $30,000 claimed by N. L. Martin for fees as trustee of Stobie Forlong & Co., $3,008 for unclaimed dividends and $10,000 as a reserve against contingent liabilities.

The Bank of Toronto Maintains Strong Position in Seventy-seventh Year

Addresses of Mr. W. G. Gooderham, President, and Mr. H. B. Henwood, General Manager, delivered to the Shareholders of The Bank of Toronto at their seventy-seventh Annual Meeting, deal with strong position of The Bank and with Dominion and World Conditions.

Mr. W. G. Gooderham, President:

You have before you statements showing the position of your Bank as on the 30th of November last and reporting the results of operations for the twelve months ending on that date. Like other banking institutions, we have experienced a considerable reduction in our deposits, due chiefly to withdrawals for investment in public securities. This drain is not, in these times, being offset by new money from surplus earnings and profits. Commercial advances are also lower, as a result of the slowing up of business activity and lower prices.

These conditions are naturally reflected in our profits, which are less than a year ago, but nevertheless sufficient to take care of our reduced dividend after providing for the usual appropriations. The General Manager will refer to these matters in more detail.

There is little profit in a lengthy discussion of the depression at this time. Volumes have been written, and the subject has been thoroughly canvassed from every angle, in the press and elsewhere. I intend, therefore, to make only brief references to this subject upon which you are already well informed.

As you all know, the past year has been one of difficulties and disappointments. Instead of definitely "turning the corner" there has been further serious shrinkage in volume of trade, both domestic and foreign, as well as in prices, many commodities falling to low points not previously experienced in many years. In the case of wheat we have to go back almost to pre-historic times for comparative levels. The severe drop in prices of the commodities which are our principal exports has particularly affected Canada. The unavoidable result is that the buying power of our people has been greatly reduced and unemployment has increased. At the same time, public debts and taxes are higher than ever before, and Governments and Municipalities are finding it difficult to balance their budgets.

Debts

The decline in world prices of commodities has thrown into sharp relief the whole question of international and domestic debts. The tremendous volume of these debts would have caused trouble even had trade activity and prices remained normal, and it is scarcely a matter for surprise that on present price levels many defaults should have occurred. The record of this country, and in fact of all British countries in this respect, is one in which we may all take satisfaction and pride.

There is not much that this country can do to assist in the solution of the international debt problem. We can only wait on action by the leading nations of the world, especially the United States, which, as chief creditor, holds the key position; but we can and do look hopefully to the World Economic Conference which is to be held in the near future, and although world conferences have not always attained results in the past, I feel that some definite action will be taken at this gathering which, though not surmounting all difficulties, will at least tend to restore confidence and cause capital to again flow across international boundaries. We may expect that out of the very gravity of the present crisis, and to some extent because of it, there will arise a new spirit of international accommodation and co-operation which is necessary if the disordered state of world economics is to be corrected. This country is, of course, vitally interested in the result because access to world markets is essential to our prosperity.

In the meantime our contribution to the betterment of world conditions consists chiefly in putting our own house in order. This in itself is no easy task. No entirely satisfactory solution of our National Railway situation with its ruinous losses has yet been reached. This question, however, is now being squarely faced for the first time since our unfortunate venture into Government ownership. We can expect important and early decisions. What these will be we of course do not know, but we shall be greatly disappointed if they fall short of stopping the drain upon the public treasury; if not at once, at least within a year or two at the most. In other departments progress has been made. Extravagant expenditures and excessive public borrowing are no longer popular. Waste is being eliminated, first by individuals, next by corporations, and last, but more slowly, by public bodies. Although in the year just ended Governments and Municipalities have added to the total of outstanding debts, it now seems possible that this trend will shortly be reversed. Until this can be accomplished we cannot say that we have fairly mastered our domestic debt situation.

Imperial Economic Conference

The Empire Conference held in Ottawa last summer was one of the most encouraging events of the year. Measures were agreed upon at that gathering which I believe will be productive of great good to this country and to other parts of the Empire. Perhaps the most important accomplishment was the creation of what appears to be a new sentiment in favor of intra-Empire trade. We have sometimes noted what appeared to be indifference on the part of the Mother Country to the commercial aspirations of the overseas Dominions. We felt that in matters of trade she would just as soon deal with a foreign country such as Russia, Germany or the United States as with her own Dominions. I believe that all this has been changed and there now appears to be a very definite movement in England in favour of trade within the Empire, and she has gone farther in the matter of preferences than I for one expected. These mutual preferences will, I am sure, show increasingly good results in this country as business improves and we work into more balanced markets. Free trade within the Empire is doubtless an impossible ideal, but we may approach it through the policy of reciprocal preferences which has now been actually established.

Inflation

I take this opportunity of saying a brief word on the subject of currency inflation, about which we hear a good deal in these times, not only from plausible radicals but also from generally sound-thinking people. There is nothing new about inflation. It looks easy, and largely because of this fact has been tried over and over again, but I believe never successfully on any large scale, the aftermath more than wiping out the temporary benefits, if any. Theoretically, a restricted and temporary measure of currency inflation is tempting, but one dose almost invariably calls for another, and who is to say where the line should be drawn. In any event, inflation is not the remedy for depressed prices. If the world is over-producing certain commodities even for normal times, and I think this is the situation, price recovery can be brought about only through better regulation of production to world needs. Inflation in whatever degree would not add a penny to the price of our wheat in Liverpool, and I am afraid any apparent advantage in converting the pound into depreciated dollars would prove quite illusory. On the other hand the mere threat of a departure from sound money would seriously damage the credit of the country, both abroad and at home and cause a flight from the Canadian dollar, the harmful consequences of which it is not difficult to foresee. The placing of an embargo on the free shipment of gold is quite another thing and is a sound measure at this time.

We also hear some criticism of the Banks. It is almost assumed, even in quarters which should know better, that something must be wrong with our banking system; first, because the banks continue to make profits and to pay dividends, and second because they are said to be inactive in measures and policies to lift the depression, although what the Banks might do that is not being done is never clearly expressed. The real facts in regard to profits are simple. Canadian Banks are extremely well financed. No water has been pumped into their stocks, nor have they split their shares as became very popular, even in the best commercial circles, a few years ago. They have conserved their profits in good times, steadily putting by not large amounts but something nearly every year over a long period — 77 years in our own case. This has enabled them to write their assets down to conservative values and to build up reserves against the losses which fall to their share in bad times. But for consistent adherence to this policy in past years, for which we should be commended rather than criticized, banks would not be earning much, if anything, today. Our own disbursements to shareholders are less than 4% on the book value of our shares, which is surely modest enough, and we may perhaps again call to the attention of people who think that banking is a very profitable business, the fact that rest accounts represent not only earned profits but also premiums paid in by shareholders for new stock.

It is suggested too that in addition to inflation of the currency and the "reforming" of the banking system, the organization of a Central Bank would make credit more plentiful. There has not in many years been any lack either of banking credit or of currency supply, nor is there at the present time. Banks in Canada are holding in their vaults over $700,000,000 in securities, not as a matter of policy but because, for the time being, there is no other safe employment for these funds. Our own Bank would be very glad to liquidate a substantial portion of its security investments, but there is comparatively little demand from industry, commerce or agriculture, bearing in mind always that we must safeguard our depositors' money and confine advances to reasonably safe business.

A word in regard to our mining industry, which is one of the bright spots in our situation, may not be out of place. This country is fortunate in containing one of the largest gold producing areas of the world. We are now in second place, our production in the whole Dominion amounting to over sixty-three millions last year, seventy-five per cent. of which was produced in the Province of Ontario, the Ontario production alone being responsible for the payment of over Sixteen and a quarter million Dollars in dividends during 1932. In a recent statement the Honourable Charles McCrea, Minister of Mines for Ontario, remarks that for the period April 1st, 1929, to the end of September, 1932, Canada produced One hundred and seventy-six millions in gold, some Eight millions in excess of our adverse balance of trade for the same period. Of this total, no less than One hundred and forty millions were contributed by the Province of Ontario.

Gold is one commodity, and probably the only important one, which is not suffering from the depression, and against which no tariff barriers or import embargoes exist. The market is unlimited, and there can be no over-production. Besides adding very substantially to our purchasing power, the availability of over Five millions in new gold each month is of the greatest importance in the regulation of our foreign exchanges; in fact, it is saving the day for us in this respect. With the greatly improved methods of extraction as well as mining which have been developed during recent years, it is reasonable to expect that our gold areas will, during the years immediately ahead, be responsible for the employment of additional thousands of our population, and the new wealth thus created will become an increasingly important factor in meeting our obligations abroad.

The encouragement which our Governments are giving to this industry is fully justified and will assist in attracting many millions of new capital to the exploration of our extensive mineral fields.

Taxes

I find myself at every Annual Meeting saying something to you on the subject of taxes. This is partly for your information as shareholders, but also in the faint hope that authorities who spend public money and impose the taxes will note the extent of their impositions and do some serious thinking about it. I confess that we have never observed any good result from this publicity, as the amount paid to the tax-gatherers annually continues to rise, amounting in our case during the past year to $8.40 per share, or an increase of 37% in ten years.

1933 Outlook

Following my usual practice, I refrain from predictions in regard to the near-term outlook for business. We know, however, that depressions set in motion forces which work automatically to restore equilibrium, and I have confidence that during the past year, although we appear to have gone from bad to worse, progress has been made under the surface in world as well as in domestic affairs.

The intangible factors making for correction can, of course, be helped by intelligent action, and there is evidence that such action is in the making. The Lausanne agreements were strongly in the right direction, and there are now definite indications in the American press and in the statements of her economists, and in the recent pronouncements of some of her prominent public men, that United States will soon review her position on the question of war debts and possibly of tariffs The loss of two-thirds of her foreign trade and an unemployment total reported at over eleven millions should be convincing arguments. The logic of events must demonstrate to creditor and debtor nations alike, that past policies require reconsideration and revision. Economists know it; business men and labour leaders know it, and the people generally are beginning to realize the meaning of the word "trade" and the true significance of unproductive debt, but because all these questions depend for their solution upon political action we must exercise patience. After all, it is too much to expect that the waste of the War plus the losses of the subsequent period of extravagance and over-expansion, to which can now be added the depression losses of the past three years, can be recovered quickly, but we may have faith that history will again repeat itself and that this worst of all depressions will follow the course of other previous experiences of the kind and make way in due time for another period of prosperity.

We are presenting to you today for election as a Director the name of Mr. George Kidd of Vancouver, B.C. Mr. Kidd was born in England where he was trained as a public accountant and is a member of the Institute of Chartered Accountants in England. Since coming to this country and taking up his residence in Vancouver, he has become identified with a number of business enterprises at the Coast and we anticipate that he will give valuable assistance to the Bank, particularly in connection with British Columbia business. We are pleased to have him associated with us, and commend his name to your favourable consideration.

Mr. H. B. Henwood,

General Manager:

I have the honour to present to you today the 77th annual balance sheet of the Bank for the year ending November 30th last.

Net Earnings

The net earnings for the year, after having made full provision for all bad and doubtful debts, amount to the sum of $1,044,393.33, which is $124,521.80 less than the earnings reported for the year ending November 30, 1931. After providing $660,000. to cover our dividends, $160,000. reserve for accrued taxes, $60,000. covering the Bank's annual contribution to the officers pension fund, and writing down our Bank premises $100,000., we carry forward the sum of $64,393.33 in profit and loss, bringing the balance in this account up to the sum of $496,301.47.

It was to be expected that our earning power would be adversely affected by the unfavourable business conditions throughout the year, but in other respects I am well satisfied with our statement and hope it will meet with the approval of the shareholders of the Bank. We have strong reserves and ample cash and funds available with which to do our share in assisting the business interests of Canada when the next forward move occurs.

Our surplus, consisting of Capital, Reserves and Undivided Profits, amounting to $15,496,301. is 15.67 percent of our entire liabilities to the public. You will see therefore, that we have a very safe margin of protection for the funds of our depositors and our banknotes in circulation. This surplus also represents 32.11 percent of the sum of $48,251,689. shown under the heading of Loans and Discounts, which constitutes the most vulnerable asset in a bank's statement, especially in these times of depression when business is carried on under extreme difficulty.

Dividends

In view of the protracted depression and the indefinite prospect of a revival in commercial affairs, we have made liberal provisions against possible losses and unsatisfactory business, especially in the prairie provinces, where the contiuued low prices for their production have made it exceedingly difficult for our agriculturists to carry on and meet taxes and bare living expenses. In the meantime until more prosperous days return, it was deemed to be in the ultimate interests of shareholders that the annual rate of our dividend should be reduced from 12% to 10%.

Total Assets

Of our total assets of $114,497,749. we hold in cash and securities, call and short loans fully secured, $61,302,240. equivalent to 62 percent of all liabilities to the public. This percentage indicates a very strong liquid position, which is perhaps not objectionable under present conditions. We however, regard it as excessive for our own requirements.

Loans and Discounts

$48,251,689., are down $10,713,352. from last year. We would prefer to have our funds more actively employed in commercial channels, but if there is any virtue in the liquidity of a bank's loans we can take comfort from the fact that our loans, from their peak figures of 1929 have liquidated in a very satisfactory manner, well in keeping with the decline in business activity.

Securities

At $37,275,058. show an increase for the year of $1,805,200. Over 90 percent of our securities consist of Dominion, Provincial and other high-grade municipal bonds, mainly of short-date maturities, and are set down in our statement at somewhat under present market prices.

In times of depression, as commercial borrowings are paid off, the investment of bank funds in securities usually increases until the corresponding improvement in business returns. Our own security investments are higher than we like. When a general improvement sets in we shall be very glad to reduce our holdings as funds are required for commercial purposes.

Bank Premises

$3,727,710. Following our usual practice for several years, these are set down in our statement at less than 50% of their cost.

Circulation

Notes of the Bank in the hands of the public as at the end of November last were $5,764,689. against $6,691,889. a year ago, and $7,539,424. two years ago. Banknote circulation is the pocket money of the people. When business is good it expands with the improved buying power, but when the corresponding periods of depression and weakened buying power set in, it very quickly contracts and finds its way back to the banks.

Deposits

At $88,009,340. A year ago, against a decline of 2.95 per cent in the total deposits of all Canadian banks, we were able to show a slight increase over our figures of the previous year. In the year just closed however, through heavy withdrawals for investment in Dominion of Canada and other Government Loans offered to the public during the year, and the loss of deposits through the closing of 12 of our branches and no doubt withdrawals of many of our depositors to meet living expenses, our deposits have suffered along with those of other banks, and I am afraid we cannot hope for much improvement until general conditions are better and earning power increases.

Inspections

I have to report that following our usual practice every branch of the Bank was thoroughly audited during the year by our own inspection staff, and at head office and several of our larger branches our shareholders' auditors have made a complete inspection of our cash, securities and loans.

Imperial Economic Conference

One of the most significant and outstanding events during the past year was the Imperial Economic Conference at Ottawa, which was attended by representatives of the various parts of the British Empire. It is too early to fully appraise the results of the deliberations of this conference, but of one thing we can be certain and it is that the personal contacts made between the various representatives over a period of several weeks have been of immense benefit. It is too much to expect that we shall at once see a great development of Empire trade, and it is certain that there must necessarily be adjustments to such agreements as have been arrived at, but the framework of a better and more sympathetic understanding has been built, and I believe that over a period of years we will find it increasingly valuable in the development of a much greater volume of trade within the Empire without seriously interfering with our trade with other countries throughout the world.

Banking Legislation

It is a matter of some disappointment to us that there has been a postponement of the revision of the Bank Act, which was due for consideration at this time, until next year. There has been far too much criticism of the banks, especially from the three prairie provinces, much of which does no good to the general credit of Canada as a whole. It seems very important that as early as possible a full and frank discussion of the banks and the legislation under which they operate should be had before the Banking and Commerce Committee of the Government, when it is to be hoped that those who have any criticism to offer as to the operation of the present banking system, which in our judgment has well stood the test of good times and bad times over a long period of years, will be able to put forward some constructive measures of improvement.

I would like to say in passing that I believe the vast majority of people in this country are well satisfied with our banking system as it now stands; indeed I find a good many people who openly express their pride in the way the Canadian banks have weathered the storms of recent years.

Central Bank

The question of the advisability of the establishment in this country of a central bank is one which will also deserve the most serious consideration. In so far as the Bank of Toronto is concerned I can say that, while we do not see any particular disadvantage to ourselves if such a bank is established, we are well satisfied with the present simple and effective machinery by which we are able to borrow under the Finance Act for our needs during the peak periods of business, by putting up ample security with our Government. I can see no advantage whatever in the formation of a central bank at this stage of the country's development. On the other hand I am satisfied that if this additional frill to our present banking system were added, it would mean a heavy increase in expense with little or no offsetting benefits to the banking facilities of the country—and goodness knows this is no time to indulge in any extravagances when our overhead of taxation and other expenses all along the line is our most serious problem.

General Conditions

I believe the year 1932 will pass into history as one of the most difficult years through which Canadian business and finance have passed. There has been a further decline in the volume of business and commodity prices. Our whole trade situation is much involved with difficult world problems still unsolved, and until many of these are settled we cannot hope for much improvement in our own affairs. There is certainly no short cut to better conditions. A hypodermic of inflation, which at best is only a temporary expedient, is not the cure for the present depression, but I have full confidence that in due course, with the exercise of common sense and the application of sound principles to our problems, Canada will be one of the first countries in the world to emerge from the present unsatisfactory conditions.

Staff

In closing may I say a few words with regard to our staff. In this Bank we have never had much to complain of regarding the service of our staff. We require a fair standard of efficiency and they rise to it, but the real test comes in such periods as we are passing through, and I have nothing but the greatest praise for the loyal support and devotion to the interests of the Bank and its clients that we have received from the senior executives and every member of the staff throughout the service during the difficult years through which we have passed. and for which I desire to express my warmest appreciation.

THE BANK OF TORONTO

Seventy-seventh Annual General Report

PROFIT AND LOSS ACCOUNT

The Balance at credit of Profit and Loss, on 30th November, 1931, was		$ 431,908.14
The Net Profits for the year, after making full provision for all bad and doubtful debts, amounted to the sum of		1,044,393.33
		$1,476,301.47
This sum has been appropriated as follows:—		
Dividend No. 202, 3% paid 1st March, 1932	$180,000.00	
Dividend No. 203, 3% paid 1st June, 1932	180,000.00	
Dividend No. 204, 2½% paid 1st Sept., 1932	150,000.00	
Dividend No. 205, 2½% payable 1st Dec., 1932	150,000.00	
		$ 660,000.00
Tax on Circulation	$ 60,000.00	
Reserve for Accrued Taxes	100,000.00	
Transferred to Officers' Pension Fund	60,000.00	
Written off Bank Premises	100,000.00	
		320,000.00
Carried forward to next year		496,301.47
		$1,476,301.47

GENERAL STATEMENT, (30th November, 1932)

LIABILITIES

Notes of the Bank in Circulation		$ 5,764,689.00
Deposits bearing interest, including interest accrued to date of statement	$ 71,013,683.84	
Deposits not bearing interest	16,995,656.60	
		88,009,340.44
Advances under the Finance Act		1,500,000.00
Balances due to other Banks in Canada (daily exchanges)	1,076,895.38	
Balances due to Banks and Banking correspondents in the United Kingdom and Foreign Countries	1,180,362.35	
		2,257,257.73
Bills Payable		253,800.00
Letters of Credit outstanding		846,435.75
Liabilities not included in the foregoing		218,049.38
		98,849,572.30
Quarterly Dividend, payable 1st December, 1932	150,000.00	
Dividends Unpaid	1,875.50	
		151,875.50
Capital paid up	6,000,000.00	
Rest	9,000,000.00	
Balance of Profit and Loss Account carried forward	496,301.47	
		15,496,301.47
		$114,497,749.27

ASSETS

Current Gold and Silver coin	$ 385,572.19	
Dominion Notes	9,661,892.00	
Deposit in the Central Gold Reserves	630,866.66	
Notes of other Banks	379,425.00	
United States and other foreign currencies	12,946.26	
Cheques on other Banks	6,405,271.26	
Balances due by Banks and banking correspondents elsewhere than in Canada	2,355,121.59	
		$19,831,094.96
Dominion and Provincial Government Securities, not exceeding market value	28,188,203.50	
Canadian Municipal Securities and British, foreign and colonial public Securities other than Canadian not exceeding market value	7,569,014.53	
Railway and other Bonds, Debentures and Stocks, not exceeding market value	1,517,840.25	
	37,275,058.28	
Call and Short (not exceeding thirty days) Loans in Canada, on Bonds, Debentures and Stocks and other securities of a sufficient marketable value to cover	4,196,087.47	
		41,471,145.75
		61,302,240.71
Other Current Loans and Discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful Debts	48,013,531.05	
Non Current Loans (estimated loss provided for)	238,158.21	
		48,251,689.26
Deposit with the Minister for the purposes of the Circulation Fund		306,603.47
Mortgages on Real Estate Sold		63,070.02
Liabilities of Customers under Letters of Credit, as per contra		846,435.75
Bank Premises, at not more than cost, less amounts written off		3,727,710.06
		$114,497,749.27

W. G. GOODERHAM, *President*

HARVEY B. HENWOOD, *General Manager*

AUDITORS' REPORT TO THE SHAREHOLDERS

To the Shareholders of The Bank of Toronto:

We have examined the books and accounts of The Bank of Toronto at its Head Office and have been furnished with certified returns from the Branches, and report that the above statement of liabilities and assets as at the 30th November, 1932, is in accordance therewith, and in our opinion discloses the true condition of the Bank. We have verified the cash and the securities representing the Bank's investments held at the Head Office at the close of the Bank's fiscal year, and during the year we counted the cash and examined the securities at certain of the important branches. We have received all the information and explanations we have required, and all transactions of the Bank which have come under our notice have, in our opinion, been within the powers of the Bank.

D. McK. McClelland, F.C.A. *of Price, Waterhouse & Co.*

W. D. Glendinning, C.A. *of Riddell, Stead, Graham & Hutchison*

Toronto, 22nd December, 1932.

Canada Bud Brew Exports Increase

Total sales of Canada Bud Breweries Ltd. were lower in 1932 than in 1931 but the company reports good progress in its export business. Decrease in actual volume of business was slight and while average sales per consumer are smaller there have been a greater number of consumers. As previously indicated in The Financial Post earnings in the first nine months of 1932 were sufficient to cover the annual dividend requirements of $1 per share on the common stock.

Export business with countries in which sale and import is legal has been developed during 1932 and such markets include the British West Indies, Hong Kong, China, while trial shipments have been sent to New Zealand and South Africa. Legalization of sale of beer in the United States will benefit Canadian brewing companies to some extent, officials of the company believe, that export of beer to that country from Canada will not develop on any tremendous scale.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Can. West. Nat. Gas	5%	1936	June 15	105
Toronto Power, deb. stk.	4½%	....	....	105

Bond Sales

COUNTY OF LINCOLN, ONT.

Matthews & Co. has been awarded $251,000 5½ per cent 10 year debentures of the County of Lincoln, Ont., at 101.919, a cost to the county of 5.25 per cent. Bids for the issue, the first municipal issue sold in 1933, were as follows:

1 Matthews & Co. 101.919
2 R. A. Daly & Co. 101.88
3 C. H. Burgess & Co., J. L. Graham & Co. 101.513
4 Wood, Gundy & Co. 101.34
5 Dominion Securities Corp. 101.277
6 Royal Securities Corp. 101.17
7 Bell, Gouinlock & Co. 101.17
8 A. E. Ames & Co. 101.08
9 Dyment, Anderson & Co., Cochran, Murray & Co., Griffis, Fairclough & Norsworthy Ltd. 100.41
10 Fry, Mills, Spence & Co. 99.06
11 Harris, MacKeen & Co. 98.561
12 McLeod, Young, Weir & Co. 98.29

The following asked for a ten-day option

Bell, Gouinlock & Co. 101.60
Dyment, Anderson & Co., Cochran, Murray & Co., Griffis, Fairclough & Norsworthy Ltd. 101.07

PRESTON, ONT.

Wood, Gundy & Co. have purchased $57,000 5½ per cent installment debentures of the Town of Preston, Ont., at an unstated price. The debentures are dated September 1, 1932, and $30,175 matures in 20 annual installments and $26,825 matures in 10 installments. Offering is being made at par.

Failures under the Bankruptcy Act, as disclosed by The Canada Gazette, for the week ending January 7, 1933 are as follows: 1932, 46, and 1933, 30, a decrease of 16.

Bond Tenders

12 o'clock noon, Jan. 20, North Bay — $185,745, 6 per cent 20-instal. street paving debentures; $65,969, 6 per cent 20-instal. sewer debentures; $16,818, 6 per cent 10-instal. sidewalk debentures. W. N. Snyder, clerk.

Jan. 20—Saint Marc de Figuery—$30,000, 6 per cent, 15 year, serial bonds. Anselme Roy, sec.-treas.

Jan. 30, School Commissioners of Verdun—$167,000, 5½ per cent 40 year serial bonds. R. E. Mackay, sec.-treas.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold To	Rate	Due	Amount	Price	Yield
Lincoln County	Jan. 12	Matthews & Co.	5½%	10-yr.	$251,000	101.91	5.25%
Almonte, Ont.	Jan.	Gairdner & Co. (additional)	5%	8-yrs.	65,000	....	....
Maniwaki, Que.	Dec.	Provincial Bank	6%	25-yrs.	40,000	96.50	6.25%
Lanark County, Ont.	Jan.	Tom Farmer	6%	10-ins.	6,000	....	....
Preston, Ont.	Jan.	Wood, Gundy & Co.	5½%	20-ins.	30,175	....	....
			5½%	10-ins.	26,825		

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year End	Net Income 1932 $	Net Income 1931 $	Common earnings 1932 $	Common earnings 1931 $	Curr. divid. $	Balance car. fwd. 1932 $	Balance car. fwd. 1931 $	Mkt.	Mkt. times earn.	Yield %
Toronto Mortgage	Dec. 31	128,458	132,909	6.51	6.74	6.	88,442	78,363	95	14.6	6.3
Lambton Loan	Dec. 31	67,384	83,574	8.5	10.5	4.50	16,229	14,973	...	...	...
Lambton Trust	Dec. 31	10,341	10,275	6.4	6.4	2.50	13,725	11,433	...	...	...
Debenture Co.	Nov. 30	2,011	8,837	0.40	1.60	...	4,141	2,130	...	...	...
Security Loan & Sav.	Dec. 31	61,815	58,287	11.40	10.80	7.	7,577	4,811	...	...	...
Midland Loan & Sav.	Dec. 31	55,321	60,647	15.3	16.8	1.	28,117	32,396	...	...	...
deHavilland Aircraft	Sept. 30	*29,155	656	...	...	...	12,069	34,518	...	...	...
Can. Permanent Mortgage	Dec. 31	888,559	912,928	12.68	13.06	12	833,443	540,636	140	11	3.8

*Loss.

THE FINANCIAL POST

Member Audit Bureau of Circulations
President—JOHN BAYNE MACLEAN
Vice-President—HORACE T. HUNTER
Editor—FLOYD S. CHALMERS
Business Manager—D. M. GOWDY

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TORONTO, JANUARY 21, 1933

ONTARIO PREMIER CLEARS AIR

HON GEORGE S. HENRY, Premier of Ontario, deserves the gratitude of savers throughout Canada for relieving their apprehensions by his clear statement that proposed legislation at the next session of the Ontario Legislature will not grant relief in respect of mortgage interest and taxes to mortgagors "who can and should make such payments." Because of the misunderstanding as to government intentions there had been visible a distinct lessening in the demand for insurance policies, for debentures of trust and loan companies and for deposit accounts in mortgage and trust companies; and those who had already tried to save for the future by these important avenues had been feeling more shaken by talk of mortgage moratoriums than by anything which has happened during the depression.

Moratoria settle nothing and generally do great harm. Modern economic society is held together by a multiplicity of individual and corporation contracts of which mortgages represent one of the most important types. The mortgage has been the agency through which surplus savings of part of the population have been made available for others to realize their principal ambitions in the way of building or buying a home or improving their farm or other properties. It has been part and parcel of the modern economic picture that these loans on mortgage shall go to those people who by present earnings or income, or by demonstrated character and ambition, are likely to repay within a reasonable period the principal loaned them. In periods of normal activity repayment makes amounts continually available for new individuals who have found a place for themselves as constant earners; and, on the other hand, in periods of sluggish business nothing tends to slow up the tempo of building and new enterprises so much as a slowing up of repayments. A certain slowing-up is inevitable in a period of dropping commodity prices and adjustments of contracts between mortgagor and mortgagee have in many cases to be made, but whenever a legislature steps in between the two parties to the contract with a moratorium it halts the process of debt adjustment whereby alone the situation can eventually be cleared up.

Most large borrowers will probably be glad to have all the details of reported extreme cases of hardship quickly reviewed before a judge at they have so far made reasonable arrangements with those willing but temporarily unable to meet their full obligations. Some of the harsh measures reported are understood to have originated with foreign lenders or small lenders who would themselves be cases of distress if they could not collect in some way and at least to some extent.

Great interest will be taken in the legislation at length worked out by the law officers of the Ontario Government; it is no doubt wise to make some provision whereby a man shall not lose his home or property for lack of $100 which may be available either for taxes or interest in a few months. Premier Henry is to be commended for making a definite statement as to government intentions; it has cleared the atmosphere materially. If a similar policy is followed in other provinces it will be a material contribution to that sane thinking necessary to bring about business recovery.

POPULARIZING MUNICIPAL STATISTICS

INVESTORS and taxpayers alike will closely follow the trend of municipal finance in 1933 and it becomes more necessary than ever that municipal financial statistics should be presented in a clear, concise manner that is intelligible to the lay mind. All too frequently the annual statements of municipal corporations serve rather to bewilder than to give a readily understood picture of the corporation's financial position.

A number of the more important Canadian cities include in their annual statements a summary of their financial position following the form devised and sponsored by the Investment Bankers' Association of Canada and the Citizens' Research Institute. This is a step in the right direction that should be followed by every important municipality in Canada. Now, when the results of financial operations in 1932 are being prepared for publication, is the time to include a condensed statement of financial position in the more detailed report.

The idea can be carried still further to the advantage of many Canadian cities. In all too few instances do municipal statements give any comparison with the position in previous years. The private investor finds it extremely difficult, if not impossible, to secure even a superficial picture of the financial growth of most Canadian cities. Municipal financing in Canada during 1933 and possibly for some years to come will largely depend on the Canadian investor, institutional and private. Defaults by a number of Canadian municipalities during 1932 and repudiation by Calgary of its obligation to pay in New York funds certain interest and principal due on January 1, 1933, are not conducive to an increased confidence in Canadian municipal issues although such issues have always had a splendid record in the past and the great majority still afford first rate security. In forthcoming annual statements covering 1932 operations every municipality in Canada has the means of influencing the opinion of investors. If comparative figures presented can show a sound position, the credit of the municipality should be enhanced with a suitable reward in a greater interest in its securities among investors which will enable the raising of new money on more favorable terms than could otherwise be obtained.

TAXES vs. WAGES

A VERY effective document has been issued in the form of an advertising circular by the George Rathbone Lumber Company, of Toronto. The essential paragraphs read:

"We issued cheques for direct and indirect taxation in the first nine months of this year to the tune of 87 per cent of the wages paid to productive labor.

"Every ten years, taxes and investment interest consume a property unless revenue producing."

Every dollar paid in taxes by an industrial concern is a dollar less to be spent on wages, to build new plants and hire more labor, or to be disbursed in dividends to people to whom dividends are purchasing power.

When the tax collector increases his toll it simply means that more money is spent by governments rather than by private individuals. Governments notoriously spend money less efficiently and less effectively than private individuals but, even more important than that, there is little inducement for any one to give the best that is in him to creative work when the major portion of his income is going to be taken away from him in taxes.

The working man may well ask himself if he is not getting many of his social benefits from the government at too high a cost.

FARM BUYING POWER

NO OBSERVER of the present economic plight of Canada and other world nations can fail to be cognizant of the yawning gap which has developed between prices of primary and secondary commodities. Clear-sighted economists, politicians and business men are equally alive to the fact that with wheat at 45c. a bushel the buying power of the farmer simply disappears as long as prices of the things he has to buy, remain anywhere near the old levels which prevailed when wheat was selling for three times that amount. The problem becomes tremendously acute in countries such as ours where the basic occupations are of a primary nature and the very foundations of our trade and commerce are rooted in the soil and rocks and the sea. Its solution is engaging the thought and attention of leading minds the world over.

Last week the Searle Grain Company in Winnipeg published an interesting pamphlet which has reduced to the simplest possible terms this very real and fundamental problem. By the simple expedient of index numbers it has placed on a comparative basis the price of wheat, which is typical of the prices of other farm products and commodities which the farmer has to sell, and over against this has calculated on a comparative basis the prices of the things which a farmer has to buy. The results speak for themselves.

Wheat as at November 30, for instance, on the basis of street prices paid at country points enjoying a 25 cent freight rate, are shown at 24¾ cents. Reduced to an index number this is represented by the figure 36. On a similar basis (1913-14 equals 100) it is found the things farmers buy (groceries, clothing, household and farm equipment, taxes and so forth) cost 132, which means that the purchasing power of the farmer in terms of wheat prices is but 27 per cent or about one-quarter of what it was at the pre-war level.

Looked at another way the farmer, although he gets but a third of pre-war prices for his wheat, must pay 6 per cent more than pre-war prices for his groceries; 22 per cent more for clothing; 58 per cent more for household equipment; 3 per cent more for farm equipment; 61 per cent more for farm machinery and 116 per cent more than the pre-war figure for his municipal taxes.

Of course the pendulum does not only swing one way. Thus the index numbers reveal that there was a time in the hey-day of post war activity when the wheat index number stood at 361—just ten times what it is today—and when in the same year the index of prices of things that farmers buy had risen to but 215 giving the farmer a sharp advantage in his buying power relationships. That is a happy memory but it does not help the farmer in his plight today. It should, however, make him more sympathetic to the position of the industrial worker whose wages have moved in a much narrower sphere in the fifteen year period.

The index is to be kept up to date each month from now on and will be closely watched by those who realize that until this fundamental price relationship becomes more evenly balanced there can be no real prosperity in this or any country in which it exists.

TIME FOR COURAGE

DECLINE in the consumption of newsprint has been less than for many other basic commodities, but at the same time the manufacturers' finances are in such a serious plight as to constitute a major national problem. Marketings in 1932 were only 27 per cent less than for the record year of 1929. In the interval, however, selling prices have been slashed and revenues have shrunk to a level making it difficult for operators to cover production costs. Only two manufacturers are meeting their funded debt charges and in the case of one it is doubtful if this charge is earned. Several bankruptcies have occurred and the remaining producers are only one jump ahead of the receiver.

The unrestricted and unjustified expansion of productive facilities, combined with inflated capital charges, has placed the industry in a position where the surplus capacity has proved too great a load to be carried. It has been contended that high cost producers should be eliminated and capital structures pared down. The statement is made by Sir Herbert Holt that this adjustment has taken place and high cost mills are not now operating. This is in a sense true, but idle mills cost money. The major act of deflation has yet to come.

Until such time as the newsprint companies have eliminated the deadwood from their set-ups, it is not to be expected that returns can be made on the capital employed. It is equally true that capital values will have to be sharply deflated, even in cases where reorganizations have already taken place, in order that operations will not be unnecessarily handicapped by burdensome carrying and interest charges.

If initiative does not come from within, then economic pressure will force a readjustment.

POWER FOR KASHMIR

TO TIMID souls frightened by the hobgoblins of Technocracy we commend a recent study by Prof. Alfred F. Barker, of the University of Leeds. Prof. Barker was asked to study the handicraft textile industries of Kashmir where there is not a single power loom but which has an enormous output of textile fabrics. In this entirely domesticated Indian State depression has fallen as hard as in Fordized North America.

Prof. Barker, after his study, has recommended the gradual mechanization of textile weaving in Kashmir. Power looms are necessary to end the depression in that State, he declares. Machine work, he says, need not be, when rightly dealt with, soul-destroying at all, but may yield the three satisfactions we all desire—the satisfaction of knowledge and insight, the satisfaction of skilled control and the satisfaction of creation or production.

Man, of course, must dominate not only the machine by his environment, Prof. Barker points out. But he sees no reason why bulk production need squeeze our artistic production.

And it may be doubted if even electrically operated looms can drive all the romance out of Kashmir.

EDITORIAL NOTES

Montagu Norman, governor of the Bank of England, has again been moving in his mysterious way through France, and as a result has attracted the attention of scores of newspapermen and other people who would never have noticed him if he had acted like a normal human being. Is Mr. Norman so anxious to attract attention to himself so that people will not notice whom he travels with?

* * *

In the United States the demands for an increase in government coinage of silver to increase the price of that metal and help end the depression is heard again. Poor old Bryan died too soon. How we would have enjoyed this depression when all that is needed to make the front pages is to have an idea that is silly enough!

* * *

Gold is moving from Europe to New York. Europe is buying United States securities in anticipation of a better stock market this year. There are thousands of investors in Canada who will hope Europe is right again on New York stocks.

* * *

Says the Toronto Globe:

"The Timiskaming & Northern Ontario Railway last year had a net operating surplus of $473,085; and this is a publicly owned enterprise—as Premier Taschereau of Quebec should note."

But the province had to pay $1,500,000 interest on the amount invested.

* * *

A good rule for governments is to guarantee no private credits or loans that are not good enough for the bankers. Such a policy since Confederation would have saved Canadians at least a billion dollars.

* * *

More than 1,000 business men turned out to hear C. P. R. President E. W. Beatty in Toronto Monday. Mr. Beatty is still Canada's best drawing card as a public speaker.

POST-scripts

SOME sort of record was made at the recent annual meeting of shareholders of the Chase National Bank of New York, said to be the world's largest bank. The meeting was of only 12 minutes duration and included the transaction of only one new item of business. The single item was the reduction of the board of directors from 77 to 72 members. No doubt this change will simplify the problem of getting a quorum for meetings of the board.

ONE of the consolations of the post-holiday season is watching people break their New Year's resolutions. We recently visited the office of a broker who used to be a great cigar smoker and were amazed to see an old corn-cob pipe protruding from his lips. "Nothing like a Missouri Meerschaum for a good smoke," he said, puffing with ostentatious relish. "I've given up cigars, Corn-cobs are very popular in New York just now." He was about to go into further details when he burst into a fit of coughing. When he recovered he continued, "Of course you have to use the genuine reed stem; it's far ahead of the others." Here he was interrupted by a mouthful of nicotine which he disposed of suitably. When he resumed his smoke the pipe refused to draw. He pressed the buzzer on his desk. "Get me a large box of my regular brand of cigars," he said to the office boy. "And wait—take this thing away and burn it."

HERE are some of the popular opinions of 1933, culled from a canvass of bridge players, elevator operators, bond salesmen, customers men and others: That though there is something in technocracy, it is a bad thing. That interest rates must come down and that the government should make its interest rates more attractive. That reflation is one thing but inflation is decidedly another. That costs must come down and that manufacturers could end the depression by increasing wages. That governments must stop spending money and that expenditures should be made on public works to create employment. That war debts are the cause of present economic ills but that you can't blame the United States for wanting its money. That the next war will be awful. But out at Hicks Corners they aren't worrying about these things. Discussion still centres around the respective merits of Grit and Tory governments while it is unanimously agreed that winters are not so cold as they used to be.

As Others See Us

Price We Pay

The Standard-Observer, Pembroke. —The Financial Post says that the Hudson Bay route is one of the greatest political scandals of all time in Canada. It cost $50,000,000 and so far is absolutely useless as a grain shipping port. However, the West was determined upon having this route, and both political parties wanted the Western vote. This is the price we have paid in Canada for political support.

Fur May Fly

The Enterprise, Collingwood, Ont.—"The Hudson Bay route is one of the great political scandals of all time in Canada—a plain contractor's racket. It is bad enough for the taxpayers of Canada to have to pay interest on the $50,000,000 thrown into this disgraceful sinkhole, but it is throwing lye in the wound to pay people to use the route." This pungent paragraph, remarks the Simcoe Reformer, which is not altogether sympathetic with the western view, is not an excerpt from Jack Canuck or any other journal of that ilk. It is a quotation from one of the soundest business or financial publications in Canada, The Financial Post. If Sam Wynn, of the Yorkton Enterprise, or Charley Lindsay, of Winnipeg, ever sees that there will be a "hot time" for The Post. Only distance may save the situation.

Levy Canal Tolls

The Record, Kitchener.—At a time when every possible nook and cranny is being explored with a view to raising revenue, it is difficult to understand why the Dominion government makes no move to collect tolls from shipping interests at present enjoying practically free use of our canals. These artificial waterways were constructed with the general taxpayer's money. The Welland Canal cost upward of $200,000,000. Yet the nominal sum collected currently barely pays the wages of lock-tenders. Hence even the interest charges on the capital investment are borne by the public.

The Financial Post points out that the Panama Canal, opened and operated by the United States government, shows a serious decline in revenue for the year to June 30, 1932. Nevertheless after paying all operating expenses, the canal earned a net operating profit of $11,751,896 which represents slightly over 2 per cent on the capital invested.

In Canada we operate canals along less businesslike lines. Those who benefit directly by these facilities do so at the expense of the harassed taxpayer. Why not shift the burden to where it belongs?

A Dead Loss

The Packet-Times, Orillia. — The Financial Post gave the bare unvarnished truth concerning the Hudson Bay Railway in its last issue and a sorry story it makes. After agitating over a period of years for this road the west utterly ignores it and when the minister of railways pleads with the very people who were insistent that it should be built to make use of it his solicitations fall on deaf ears. Right from the first grain men of the west have refused to use the Hudson Bay route for export purposes.

Hon. Dr. Manion has a distasteful job on his hands to either operate the Hudson Bay Railway at a dead loss or abandon it completely. Both political parties pledged themselves to build the road and now neither can criticise the other for the gigantic failure it has turned out to be. Each is equally responsible for this failure and each should now counsel the abandonment of the costly thing, take up the steel and carry the financial obligation to maturity without reminding the people of the country of this latest wild goose chased into the tundra of Canada by the two major political parties.

"Stop Me If You Have Heard This One"

Boatswain Calkins asked the mess attendant to bring him two eggs for breakfast. When the plate arrived there were three.

"Well," said the Bos'n, "can't I even order two eggs and get just two eggs?"

"Yes, sir," answered the boy. "But one of these is bad."

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

By F. S. C.

STALIN STEERS SOVIET ON NEW COURSE

A CAREFUL reading of the recent speech of Joseph F. Stalin, economic dictator of Russia, suggests that he was talking chiefly for the purpose of covering up. The sluggishness of the moujik has wrecked the fondest hopes of the first Five Year Plan and made necessary a more realistic rewriting of the Soviet objectives. But it was necessary to do this without admitting failure to the world and without giving the ignorant home peasantry any idea that anything was wrong. So Stalin appeared in public and declared the Five Year Plan to be a success, he threatened the capitalistic world, he urged a more rapid move to complete socialism with no compromise with private capitalism and he announced a new Five Year Plan to continue the old one.

* * *

THE whole speech was a clever bit of propaganda. Those who have gotten close enough to Stalin to tune in on his innermost thoughts assert that his hope for Russia lies in a gradual swing back to private capitalism, a slow abandonment of the ideals of complete collectivism and abandonment as well as the Soviet policies of world political propaganda.

Russia accomplished a great deal under its first Five Year Plan. She increased her production enormously and her facilities for production even more. But she did it at uneconomic cost and at the expense of privation and intellectual undernourishment of the people. And she did not come anywhere nearing her objective of equalling other countries in industrial efficiency at the end of five years. She bought better machinery than her undertrained workers knew how to use; she wasted the souls and bodies of her people in a vain attempt to achieve modern technical efficiency out of a catalogue. She reckoned not with the moujik.

* * *

STALIN knows this and he is not anxious that the next five years shall see a repetition to the same degree of wasteful capital expenditures. That is why he has called for a change of pace; a slowing down of the tempo of industrial development and a speeding up of the process of raising the present standard of living.

Russia in the next five years may not be the same interesting phenomena for superficial newspaper writers to talk about but it may, on the other hand see the development of more civilized conditions for the people.

The return to normalcy has begun and Stalin, while preaching the opposite doctrine for purposes of public policy, has started Russia on the march back.

* * *

WORLD CONFERENCE

IT LOOKS as though the organizers of the World Economic Conference will take a long time to decide what the conference should talk about. Politicians are in no hurry to tackle the problem of economic rehabilitation through international co-operation.

War debts and tariffs, in so far as precise rates are concerned, have been excluded from consideration.

The subjects expected to receive particular attention from the agenda committee that meets January 24 are the stability of exchanges, the fixing of commodity prices and the regulation of production. It is thought probable that agreement will not be possible on all subjects at this preliminary meeting.

After the agenda meeting the United States representatives will return to America and report to the American authorities. At present it is thought unlikely that the economic conference can be called until June or perhaps May at the earliest.

Other People's Views

Peaceful Revolution

The Enterprise, Chesley. — Dr. Salem Bland believes in a peaceful revolution. So did some of the early leaders in the French Revolution but the mob of Paris soon got to a point where they couldn't be controlled by peaceful leaders. All revolutions have not been so peaceful as the one in 1688 when the Stuart regime was exchanged for a Hanoverian dynasty without a shot being fired in England.

First Year of Recovery

Alexander D. Noyes in The New York Times.—There can be no reasonable doubt that, in the retrospect of future financial history and despite the numerous exacting problems still ahead of us, 1932 will be described as the first year of recovery from the great depression. Perhaps that long-range view of the year's events will also emphasize the fact, usually overlooked in present-day discussion, that the confusion and hysteria of six months and twelve months ago were a consequence, not primarily of what was happening in America, but of the reaching of its climax by a European panic which had broken out eighteen months after our own and which, therefore, was exerting its own baleful influence when America should have been recovering.

Soaking Industrious Fails

N. Y. Herald-Tribune.—Individual incomes in the United States for 1931 show a falling off of 23 per cent from the figures for the year before. But of far greater significance is the fact that the revenue derived from them decreased 49 per cent. Here in a nutshell is the answer to the whole demagogic philosophy which would support the government by the politically convenient method of "soaking" the rich. While the taxpayers have been losing a quarter of their aggregate income the government, through the much heavier shrinkage in the upper brackets, has been losing a half of what it collected from them, with the almost certain prospect of a similar disproportionate drop next year. Thus the redistribution of wealth, at which so many of our Congressmen have been aiming through the income-tax schedules, has certainly put Uncle Sam in the "red," whatever its effect on the individual citizen.

An income tax devised to rest on as large a proportion of the population as practicable is unquestionably a wholesome feature of any tax structure. There is nothing like it to remind the citizen that he has a financial stake in his government, which it is his duty to guard against crookedness and waste. We believe for this reason that even lower exemptions than those in force should be included among the reforms which Congress is bound to adopt. But its main effort must be to add other forms of taxation not so sensitive as this one to the vagaries of the business cycle.

Conscription of Wealth

The Evening Telegram, Toronto.—Conscription of wealth is a pleasing platitude to the man who has nothing and who is, therefore, inclined to think that there is untold wealth some place if he could only get his hands on it. Trying to conscript wealth is very much like trying to grasp a soap bubble. It disappears when you touch it. Real wealth does not consist of dollar bills. You can't eat dollar bills. Dollar bills or currency of any kind are just a convenience under our existing system for exchanging goods. When Mr. Woodsworth talks about conscripting wealth, what would he conscript? The real wealth of this country for many years has been the wheat crop of the western provinces. The prosperity of Canada in years past depended more on our wheat than any other single item. "As good as the wheat" was a common expression. But today there is little demand for wheat; consequently wheat has ceased to be wealth or has depreciated to such an extent that the western farmer would not much care if it was confiscated. Does Mr. Woodsworth propose confiscating the currency in the banks? If he did it would cease to be of any value as soon as it was confiscated. Mr. Woodsworth's alleged panaceas would simply precipitate chaos and anarchy and make conditions a thousand times worse instead of improving them.

If the general public refuse to listen to these wild-eyed philosophers this depression will pass as every other one has passed. There are doubtless many lessons to be learned from it, but one is not to destroy everything both good and bad, but rather to correct the evils in the present system while retaining what is worth while.

Scattered Bonds

Border Cities Star, Windsor.—Just who are the bondholders of dominion, provincial or municipal bonds? Some platform politicians assert the "big fellows" hold the bonds.

But bonds are distributed far and wide. Take the case of Miss Norma Rademhurst of L'Abbaye, St. Jacut-de-la-Mer, Cotes du Dord, France. She had a $1,000 British Columbia coupon bond. In some way she mislaid it. But she proved the loss to the satisfaction of the government, and she is to be reimbursed for interest due on the missing coupons. An order-in-council has been issued by the province to provide for the replacing.

Besides demonstrating that compensation can be made for the loss of a bond, if the loss is proven beyond doubt, the holding of a British Columbia bond by a woman in Northern France shows how widely scattered the bonds get. It would surprise some of the platform speakers if they knew just how many men and women have saved diligently in order to buy a government or municipal bond, because they think these securities provide a safe investment.

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BANQUE CANADIENNE NATIONALE

CONDITION AS OF 30TH. NOVEMBER, 1932

Profit and Loss Account

Dividends	$ 700,000.00	Balance of Profit and Loss, 30th. November, 1931	$ 205,169.34
Pension Fund	30,000.00	Profits for the year ending 30th. November, 1932	972,075.12
Dominion Government Taxes	112,000.00		
Payment to the Treasurer of the Province of Quebec (14, Geo. V, Ch. 3).	125,000.00		
Balance of Profit and Loss, 30th. November, 1932	210,244.46		
	$ 1,177,244.46		$ 1,177,244.46

LIABILITIES

To the public:	
Notes of the Bank in circulation	$ 8,178,894.00
Deposits (Savings and Current)	105,570,315.86
Advances under the Finance Act	4,500,000.00
Miscellaneous	283,085.37
	$ 118,532,295.23
To the shareholders:	
Capital, Rest Fund, Dividends and undivided Profits	14,389,402.01
	$ 132,921,697.24

ASSETS

Cash on hand and other cash assets	$ 14,166,628.23
Securities (*At market prices*)	38,534,550.41
Call Loans (*Secured by Collateral of sufficient marketable value*)	6,149,357.03
Loans and Discounts and Advances to Municipalities (*After providing for doubtful debts*)	65,818,893.42
Real Estate, Mortgages, Furniture and Fixtures and Miscellaneous (*At less than cost or value*)	8,252,268.15
	$ 132,921,697.24

Business Conditions in Canada

The Week in Business

Encouraging Start Made by Toronto Auto Show

Visitors Include Many Potential Purchasers

Wheat and Cotton Prices Bright Spot Among Commodities

RECEPTION of the 1933 automobiles by the public at the Toronto Automobile Show has been a feature of business comment in Eastern Canada in the past week and has turned conversation in the business district from the price of wheat and other depressing subjects. Manufacturers, sales managers and salesmen interviewed by The Financial Post expressed themselves as amazed at the throngs which invaded the show on the first two nights and even more so by the genuine interest shown by the public in the new cars.

Several reasons have been advanced for the undoubted interest shown by the public in the new cars and of these two seem to be founded on fact. Seldom has the industry as a whole presented a range of automobiles so radically altered in body design and therefore calculated to make out-of-date existing models. Also, there is no doubt that many of the public have been "making the old car do another year" for the past two years at least and have now reached the stage when it is more economical to purchase a new car than run the old one.

* * *

ASKED by The Financial Post regarding the attitude of the public attending the show compared with previous years, salesmen were unanimous in declaring that it has been several years since they received so many apparently genuine enquiries regarding their respective models. One salesman pointed out that there seemed to be a larger percentage of potential purchasers than in other recent years: "Interested parties are not satisfied in knowing the new features of our cars and seeing them demonstrated," he said, "they are interested in the price, what mileage per gallon the car can get and other statistics chiefly of interest to the potential owner."

Perhaps the outstanding feature of the show as it appeared to The Financial Post representative was the fact that salesmen were busier than in previous automobile shows. "There are more people interested than the salesmen can begin to look after," a director of the show declared.

* * *

HEIGHTENED activity in the automobile industry would certainly do much to "heavy industry" in Canada in the normally dull months of the first quarter. Already the reception accorded the new cars has put new life into the industry and also has had the effect of creating a more favorable feeling throughout the city. A similar reception at the Montreal Show which opens this week would add greatly to this return of confidence.

* * *

ALTHOUGH wheat and cotton failed to hold all of the rise which was made during the first week of the year, the increase was sufficient to at least check the decline in commodity price indices. The weekly index of wholesale commodity prices of the Annalist, New York, rose 0.1 under the influence of these and other farm product increases despite a decline in metals, fuels, textiles and food products.

Failure of the foreign buyer to follow the advance in wheat prices and his abstention from all but small purchases is stated to be the cause of the price reaction of the past week. Introduction of the Australian and Argentina crops into the world markets in the next few weeks may cause a further reaction in price but there are also some bullish factors of which political developments in the United States, trouble in the Far East, reports of serious winter wheat crop conditions in the United States and the domestic allotment plan in the United States are outstanding.

B. C. LUMBERMEN EXPECT REMOVAL OF U. S. A. TARIFF

Coast Operators Hopeful of Impost Disappearing in July

From Our Own Correspondent

VANCOUVER.—Intimation that the United States tariff on lumber from Canada will automatically drop at the close of the present fiscal year has provided the lumber industry in British Columbia with reason for considerable comfort.

The fight in Congress for a high tariff on Canadian lumber originated chiefly in the states of Washington and Oregon, where the sawmills have suffered from competition of British Columbia forest products. From Portland, Ore., one of the chief centres of the lumber industry, comes word that sawmill operators have scant hope for the continuation of the duties after the present fiscal year ends.

"There has always been strong opposition to a high tariff on lumber in the chief consuming states," a representative of the Washington and Oregon industry informed The Financial Post. "The Pacific Northwest has always been in the minority; but owing to the emergency last year created by the threat of an unbalanced budget the majority sided with the Northwest in voting for a lumber tariff for revenue only and not primarily for protection. The tariff is inextricably linked with the balancing of the budget and when that is accomplished at the year end, there is no doubt that the traditional opposition to a lumber tariff will reassert itself and squelch any demand from the Northwest for a continuance of the high duties."

Owing to the difference in exchange, Canada has actually been able to carry on lumber business with the United States to a limited extent despite the high duties, believed at one time to be prohibitive.

Meanwhile British Columbia lumber interests are joining in a petition to the British government, asking for the implementing of the much debated Section 21 in the Empire trade agreements providing for prohibition of Soviet lumber on the ground that state action in Russia has so affected prices as to frustrate the British preference to Canadian lumber.

Canned Salmon Pack Shows Large Increase

From Our Own Correspondent

VANCOUVER—British Columbia's 1932 canned salmon pack totalled 1,081,031 cases of 48 pounds each, and is worth approximately $6,358,000, according to government figures just issued.

The 1932 totals represent an increase in quantity of 395,927 cases and an increase in value of $1,150,000 over those of 1931.

Canadian Wheat Stocks in store on Jan. 6 amounted to 236,336.608 bu. compared with 237,390,896 bu. in the previous week and 200,829,004 bu. in the corresponding week of 1932.

Commodity Prices

Commodity Prices at Wholesale‡
(N. Y. unless otherwise stated)

	Week ending Jan. 14	Previous week	Same week last yr.
Cattle (cwt.) (Toronto)	$4.90	$4.25	$6.50
Copper, lb.	.05	.05	.07½
Cotton, lb.	.0625	.0625	.0680
Rubber, lb.	.0308	.0320	.0461
Silk, lb.	1.27½	1.52½	2.07½
Sugar, raw, lb. ..	.0278	.0280	.0314
Wheat (Man.) bu.	.43¼	.45⅞	.59¼
Hides, lb.	.05½	.05½	.07½
Coffee, lb.	.08¼	.08½	.07

Weekly Indices *

N. Y. Annalist ..	83.9	83.8	94.3
Fisher's	57.3	57.4	†72.6
N. Y. Journal of Comm.	54.7	55.6	61.9
Crumps (Brit.) .	61.2	61.5	†64.9

*N. Y. Annalist base, 1913, others, 1926.
†Average 1931.

Monthly Indices

	Latest	Prev. month	Same month last year
Canada (D.B.S.) w'sale (Dec.)	64.0	64.8	70.6
Retail (Nov.) ..	80.4	80.4	86.6
U. S. Labor (Nov.)	63.9	64.4	70.2
Gt. Brit. (Nov.) ..	68.2	68.2	71.8

‡Basis of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price, Toronto; copper—electrolytic, New York; cotton—middling upland, New York; rubber—smoked sheets, spot closing, New York; silk—Japanese, 13-15, New York; sugar—96 degree centrifugal c/f. New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

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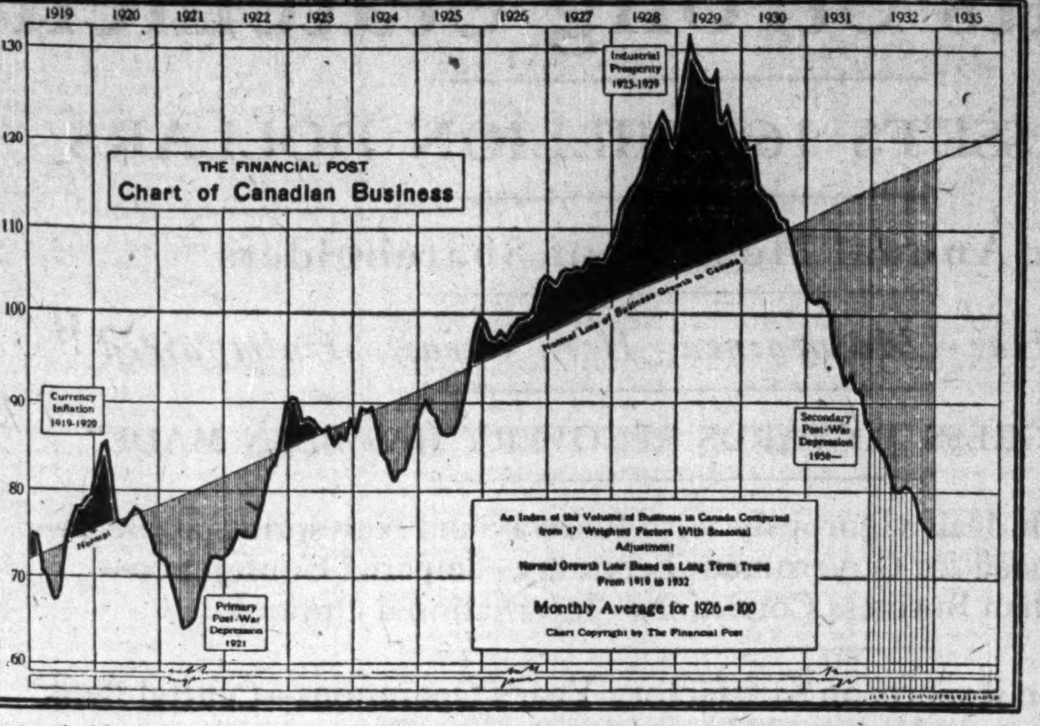
Downward Trend Unchecked as Year Ends



The trend of business operations was downward in 1932, the only break being the temporary gain in July. Operations reached a new low point in December, The Financial Post business index expressed as a percentage of the monthly average for 1926 being 74.8 indicating a level of operations equivalent to that obtaining in the midyear of 1922. The decline in imports and in the new business obtained by the construction industry contributed to the decline of the index in December compared with the preceding month.

Business Activity Drops to 1922 Summer Level

New Low Point in December After Four Years of Steady Decline — Look for Improvement in Commodity Prices

By SYDNEY B. SMITH

The headlong decline in the volume of Canadian business lasting nearly four years was at a somewhat slower pace during the last half of 1932, but the trend presented very little of a substantial nature upon which to prop a favorable forecast for the present year.

In the last four years the decline has been without important interruption counterbalancing the expansion from 1922 to the early months of 1929.

The present low point of 74.8, as recorded by The Financial Post index of the physical volume of business, and reached in December shows that business operations are now at about the level of midsummer 1922. Production is below the level necessary for supplying the normal requirements of the Canadian people, as measured by the living standards of the last fourteen years. The logical conclusion is that in some lines a shortage is being established which will eventually result in a reversal of the downward trend of productive operations.

Check in July

The partial restoration of confidence about midyear 1932 was reflected by a gain in Canadian operations in July. The changed attitude was occasioned by the substantial progress made at the Lausanne conference in regard to war reparations and the decided improvement in the financial outlook of the United States bound up with the reversal in the outward flow of gold and the operations of the Finance Reconstruction Corporation.

It was hoped at that time that a definite turn had taken place, but as far as business operations are concerned the latter part of the year showed a continuance of the contraction. Consequently the year closed at a new low point on the present movement.

Prices Must be Watched

In a profit economy the extent of production operations is interrelated with the movement of commodity prices. Indications are not lacking that improvement in this line will not be long delayed. The commodity exchanges will be watched with even greater interest during 1933 for signs of an upward movement which would act as the herald of a brighter day. If such a reversal is achieved without artificial stimulus the change will be more effective in the restoration of general confidence.

According to preliminary compilation, The Financial Post index of the volume of business was 74.8 in December compared with 75.7 in November. The chief influence in depressing the index in December was the very low level of new business obtained by the construction industry. Contract awards dropped to $4,190,000 compared with $10,170,000 in November. Contracts are normally less in December, but the decline in this case was especially severe. Building permits placed in 61 cities also emphasized the low ebb of construction operations. The decline even after adjustment for seasonal tendencies was no less than 34 per cent. The construction industry which shared so largely in the expansion during the prosperity phase of the last cycle, is now playing the rôle of the pauper.

Light Freight Movement

Freight movement dropped off badly in December despite the relative heavy shipment of grain. December in this connection was the least satisfactory month of the year, the loading of 152,562 cars being a minimum either with or without seasonal adjustment. The total in November was 192,575 cars, the decline in the month under review after seasonal adjustment being nearly 3 per cent.

The value of merchandise imports for consumption in Canada also reached a new low point for the year in December. The total of $29,025,000 was no less than 17.4 per cent lower than in November, after seasonal adjustment. Exports on the other hand showed a moderate gain after the usual adjustment. A total of $43,109,000, compared with $46,621,000, the seasonally adjusted gain being one-half of one per cent. The sharp decline in imports was the chief element in a relatively high favorable balance of trade amounting to more than $14,000,000.

The factors indicating the trend of mineral production after seasonal adjustment were mostly favorable in December. Exports of copper from Canadian mines were 4,335,600 pounds compared with 1,860,600 in the preceding month. Nickel was exported to the extent of 2,175,000 pounds compared with 3,150,900 in the preceding month, August and September being the low months of the year in this connection. Zinc exports were 16,548,800 pounds compared with 10,049,300, a considerable gain being shown after seasonal adjustment. Shipments of gold were 260,469 ounces of which 238,999 were received at the mint. This compared with 248,629 ounces in November of which 234,825 ounces were mint receipts. Silver was shipped to the extent of 987,678 ounces compared with 1,179,695 in November. Exports of the better grades of asbestos were 5,449 tons compared with 4,108. The weighted average of the six factors denoting the trend of mineral production after seasonal adjustment showed a gain of 20 per cent in December over the preceding month.

The milling industry was more active in the last month for which statistics are available, production of wheat flour being 1,943,000 barrels compared with 1,722,000. Rolled oats and corn flour were also produced in greater volume. The sugar industry showed a gain in operations, greater activity being recorded in the last quarter, than in the other months of the year.

Boots and Shoes Steady

The output of boots and shoes recently showed decline, but the total for the year as reported to date shows that activity was nearly maintained as compared with 1931.

Moderate gain was shown during December in the export of planks and boards, adjustment being made for seasonal tendencies. Exports of newsprint amounted to 136,933 tons compared with 161,835 in the same month of 1931, the value being placed at $5,666,000 compared with $8,299,000. Exports of woodpulp and shingles were in reduced volume compared with November. The output of steel showed moderate decline while pig iron production was nearly doubled, reaching the highest level for the year.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1932-33	1932-31	Cumulative Jan. 1 to date 1932	1931
Transportation—				
Car loadings (Jan. 7)	26,782	38,965	......	......
C.P.R. gross earn. (Jan. 7) $	1,598,000 $	2,052,000	......	......
C.N.R. gross earn. (Jan. 7) $	1,724,061 $	2,381,077	......	......
	Monthly			
C.P.R. net earn. (Nov.) ... $	3,324,291 $	4,565,374 $	17,779,235 $	21,834,204
C.N.R. net earn. (Nov.) ... $	1,038,581 $	2,084,481 $	10,164,170 $	7,491,999
Iron and Steel—				
Pig iron, tons (Nov.)	14,149	14,292	117,099	406,176
Steel, tons (Nov.)	37,088	26,337	312,033	650,118
Automobiles prod., No. (Nov.)	2,204	1,247	58,677	80,182
Automobile exports, No. (Nov.)	1,486	480	11,890	14,286
Construction—				
Building permits (Nov.) ... $	2,505,309 $	7,282,117 $	37,922,575 $	104,327,739
Contracts (December) ..... $	4,190,000 $	11,257,300 $	132,872,400 $	315,482,000
Newsprint—				
Production, tons (Nov.)	161,384	175,643	1,770,424	2,052,625
Exports, tons (Dec.)	136,993	161,835	1,776,758	2,008,238
Sugar—				
Imports, raw, lbs. (Nov.) ..	28,055,200	70,656,900	652,424,500	752,021,400
Melt & ship, lbs.*	78,707,156	85,076,361	816,652,149	857,873,736
Manufactured, lbs.*	115,873,720	121,790,544	772,487,907	796,099,583
Flour—				
Production, bbls. (Nov.) ..	1,942,844	1,812,457	13,455,365	15,498,215
Wheat flour exp. bbls. (Dec.)	492,033	451,310	5,131,791	5,697,224
Other Industrial Indices—				
Lumbering: Plank & board exports, mill ft. (Dec.) ...	38.54	56.65	675.12	937.73
Boots and shoes, pr. (Nov.)	1,361,384	1,254,696	16,901,154	16,544,082
Petroleum, imp. crude, gal. (November)	51,710,000	93,140,000	857,037,119	955,553,901
Cotton, imp., raw, lbs. (November)	15,376,000	15,451,000	83,537,000	88,874,000
Rubber, raw, imp., lbs. (Nov.)	3,568,000	2,761,000	44,745,961	51,089,185
Coal, imports, tons (Nov.) ..	1,508,202	1,414,082	10,779,792	12,506,644
Gasoline sales, gals. (Aug.)	61,518,000	63,434,322	326,269,000	360,909,322
Trade—				
Imports (December) .... $	29,025,434 $	40,289,795 $	452,678,492 $	628,098,386
Exports (December) .... $	42,615,796 $	58,255,476 $	493,916,338 $	605,336,003
Wheat exports, bus. (Dec.) ..	27,735,999	22,355,975	228,220,755	194,924,865
Labor—				
Employment Index (Nov.) .	84.7	103.0	......	......
Electric Power—Output—				
M. Kilowatt hours (Nov.) ..	1,447,857	1,415,020	14,445,123	14,951,256
Finance—				
Failures, No. (Oct.)	199	226	1,807	1,941
Failures, Liabilities (Oct.) . $	3,489,000 $	12,378,396 $	34,401,000 $	45,260,019
Bank debits† (Nov.) ...... $	2,466,300 $	2,841,888 $	23,759,669 $	28,948,345
Bond sales (Dec.) .... $	160,700 $	1,910,260 $	374,424,058 $	611,037,407
Insurance sales (Nov.) ..... $	34,008,000 $	88,860,000 $	370,440,000 $	442,149,000
Automobile Financing:				
Used cars (Nov.) .... $	796,043 $	1,165,341 $	12,464,266 $	20,068,634
News cars (Nov.) .... $	588,264 $	980,252 $	12,264,957 $	20,045,066

*Four weeks' period. Nov. 12 to Dec. 3.
†(000's omitted).

MARITIME MILLS MINES AND PORTS SHOW ACTIVITY

Toronto Cleric Reports More Hopeful Outlook in East

There is a more hopeful tone in the Maritime provinces at the beginning of 1933, based on shipping activity and orders by the steel plants, although the farmers and fishermen are somewhat discouraged by the low prices obtained for their produce, according to Dr. Peter Bryce, United Church official, in an excellent piece of commercial reporting appearing under his name in the press following a trip through this part of the Dominion.

In both the steel works and coal mines at Sydney, Cape Breton, there has been more employment during the past few weeks, he states, the steel mills sharing with the Trenton Car Works in a million and a half dollar order for gondola cars for the Canadian National Railways. A rumor that part of the Rt. Hon. R. B. Bennett's business overseas was to negotiate a steel rail order with Soviet Russia also helped to create a hopeful feeling in this district.

Tramway Report Inaccurate

Dr. Bryce found that press reports to the effect that Cape Breton Tramways Limited was one of the few lines in the country to make a profit and that the employees had been given a 10 per cent salary increase were somewhat misleading. He states the results of his enquiry as follows:

"Upon enquiry I found that the company under employee management has been in operation for a little more than a year. The employees secured a valuable property for very little. The wages now paid are 10 per cent below the scale that was in force when the tramways were taken over by the employees. It has not been possible to keep the property up to standard. It does not appear at present to be a business proposition, but rather a means of keeping some men at work."

Halifax harbor presented a picture of considerable activity to Dr. Bryce due largely to great quantities of wheat arriving from the west for shipment overseas. He was informed that there were 400 cars of grain in the yards waiting to be unloaded. Ten tons of Ontario onions were being shipped to Martinique, the first lot ever shipped there. Three new steamship services from the Port of Halifax were announced. A banner season is confidently expected by the harbor commissioners, he reports.

Mines And Mills Busy

Reporting industrial activity in other Maritime cities, Dr. Bryce states:

"At Stellarton the town clerk told me the number of families in receipt of relief had been reduced from 100 to 40, and a further decline was anticipated. The coal mines around Stellarton have for the past two or three months been operating at almost normal capacity.

"At Trenton the car works were being reopened after having been closed for two years. It was believed the order for the gondola cars would keep the works employed for five or six months.

"At Saint John harbor eight million bushels of wheat were booked for December and January. All the facilities of their greatly enlarged harbor were being used. The harbor commissioners reported a record gain in traffic. Canadian apples are being sent out from Saint John, and Scottish anthracite is coming in. Saint John is the new winter terminus for the Cunard and Cairn lines, and Manchester freighters will run a weekly service instead of fort-nightly as formerly.

"During my visit 150 men, women and children were deported from Saint John. There was nothing against the men and women as far as I was able to learn but the misfortune of unemployment and consequent poverty, compelling them to become public charges."

Exhibition Revenue Gains

Mayor W. J. Stewart, of Toronto, has received from the Exhibition Association a cheque for $208,556, being the fees due the city from last year's fair.

THE LONDON & WESTERN TRUSTS COMPANY LIMITED

ESTABLISHED 1896

LONDON · TORONTO · WINNIPEG · SASKATOON · CALGARY · VANCOUVER ·

Business Briefs

Average Value of the pound sterling for special duty purposes is $3.78 effective for entries during the period January 16 to 31, 1933, inclusive.

Carloadings during the week ended Jan. 7 amounted to 26,782 cars, an increase over the previous week of 1,711 cars. After adjustment for seasonal variation the index number rose from 54.68 to 60.10. The holiday in the week had an effect on the total compared with 1932, when the week ended Jan. 9 and had no holiday, which is hard to measure.

Wheat Exports during the week ended Jan. 5 amounted to 2,976,761 bu., a decrease of 611,684 bu. from the previous week and 483,926 bu. from the corresponding week of 1932. Vancouver handled the bulk of the movement.

THE **MUTUAL LIFE** Assurance Company **OF CANADA**

Established 1869

Operating Results

for the Year Ending December 31st, 1932

PROFIT AND LOSS ACCOUNT
REVENUE BASIS

Surplus Funds as at December 31st, 1931, consisting of:			
General Investment Reserve		$ 826,490.94	
Free Surplus for Contingencies		4,538,343.82	
			$ 5,364,834.76
INCOME			
Premiums (net)	$18,354,729.90		
Interest and Rents (after further deduction of $218,046.44 for possible loss of interest on Farm Mortgages)	6,878,919.69		
Supplementary Contracts	2,363,362.49		
Profit and Appreciation on Ledger Assets	53,463.82		
		$27,650,475.90	
EXPENDITURES AND RESERVES			
Death and Disability Claims, Matured Endowments, Surrendered Policies, Supplementary Contracts, etc.	$12,115,791.93		
Increase in Actuarial Reserve and Amounts Left on Deposit	6,407,228.95		
Commissions, Taxes and General Expenses	3,415,938.49		
Loss and Depreciation on Ledger Assets	151,828.22		
Amount Written Off Head Office Premises	50,000.00		
		22,140,787.59	
Surplus Earnings for Year		$ 5,509,688.31	
Special Charges:			
Additional Specific Reserve against Loss of Principal on Mortgages and Sale Agreements	$ 222,736.79		
Amounts Written Off Book Value of Bonds as Provision for Possible Losses	1,000,457.87		
		1,223,194.66	
Net Amount Transferred to Surplus Funds		$ 4,286,493.65	4,286,493.65
Total			$ 9,651,328.41
Deduct:			
Surplus Paid or Allotted to Policyholders		$ 4,276,309.44	
Additional Provision for Staff Pensions ..		17,495.00	
			$ 4,293,804.44
Surplus Funds as at December 31st, 1932, consisting of:			
General Investment Reserve, Dec. 31st, 1931	$ 826,490.94		
Transferred from Free Surplus	373,509.06		
		$ 1,200,000.00	
Free Surplus for Contingencies		4,157,523.97	
			$ 5,357,523.97

Outstanding features of 1932 Statement

Surplus Funds and Contingency Reserves	$ 11,853,105.72
Dividends Paid Policyholders (Annual and Deferred)	$ 5,034,911.56
Total Assets	$132,198,392.72
New Assurances Paid-for	$ 44,038,582.00
Assurances in Force December 31st, 1932	$517,967,974.00

Lowest Expense Ratio in the Company's History.
Death losses were well within the expected.
Surplus earnings per $1,000 of total assets were $41.68.

A Purely Mutual Company

The principle of mutuality has again been justified by the gratifying surplus earnings during the past year which permit the continuation of the unique record which the Company has maintained throughout its entire history of over sixty years in the field of low cost life insurance.

RECORD OF PROGRESS

Year	Assets	Business in Force	Dividends Paid to Policyholders	Total Payments to Policyholders
1892	$2,235,384	$16,122,195	$65,001	$216,337
1912	$20,071,345	$77,921,144	$277,631	$1,275,886
1932	$132,198,393	$517,967,974	$5,034,912	$17,146,547

The 63rd Annual Meeting of the Policyholders will be held on Thursday, February 2nd, 1933, at the Head Office, Waterloo, Ontario.

R. O. McCULLOCH, *President* — W. H. SOMERVILLE, *General Manager*

New Books

PIONEER FRINGES CALL FOR SCIENCE OF SETTLEMENT

Canadian Immigration Studied in Two Volumes

We have been late, in this country, in discovering that there is a science of settlement. Had we learned it earlier we might have avoided some of the waste of bringing to Canada before the war vast hordes of immigrants, only one-quarter of whom were to remain; we might have avoided some portion of our railway development, that part that relates to overconstruction of branch lines built because settlers moved so far ahead of the railways; we might have adapted agriculture in different western areas better to climatic and soil conditions. Seldom have immigration and colonization policies in Canada had any scientific background.

From the dawn of time, pioneering has been a primary instinct of adventuresome men. There has always been a pioneer fringe of new and experimental settlement because there have always been men and women willing and anxious to try their luck a little further on. The world still has its pioneer fringe and an interesting part of it is in Canada. Our share of the pioneer fringe will bring us plenty of social economic and political problems in the future. But in devising policies of settlement that will be free of the boomerang effects of some of our former ventures in immigration and colonization we have not only all our own background but that of all the other nations of the world to draw on. It is the elaboration of this background of experience and the application of historical, economic, social, meteorological and other sciences to the problem of pushing back the frontiers that constitutes the science of settlement.

Learning by Experience

Settlement need not be haphazard. The most serious of its problems can be avoided. The greatest of its benefits can be multiplied. This is the distinct lesson one learns from a reading of two recent publications of the American Geographical Society "The Pioneer Fringe" by Isaiah Bowman and "Pioneer Settlement" by 26 different authors from many lands. Both volumes are commended to the earnest study of everyone with an interest in immigration and settlement in Canada.

Dr. Bowman's study appeared a year ago. It is a bountifully illustrated, well-bound book of some 350 pages that tells the story of immigrant pioneering in the past and present; that discusses the motives that promote people to uproot themselves and seek new homes; that discusses the credits and debits in the ledgers of the individual and of the state of pioneering effort and that outlines the role of the railways, the state, the sciences, etc.

Many Pioneer Fringes

Dr. Bowman undertakes to describe each of the important fringes of settlement throughout the world including the Canadian northwest, Australia, South Africa, Siberia, etc.

This volume serves as a comprehensive introduction to the second volume, just off the press in which 26 authors discuss pioneer settlement throughout the world. Of particular interest to Canadians are the scholarly and complete descriptions of agricultural possibilities in countries competitive to this one in world export—such as Russia, Siberia, Argentina, Australia, etc.

Six of the authors contribute to the story of the Canadian fringe of settlement and Canadian immigration and settlement policy. They are Prof. W. A. Mackintosh, Prof. R. A. Murchie, Prof. Chester Martin Prof. D. A. McArthur, Prof. C. A. Dawson, and Dr. D. A. McGibbon.

Study is Proceeding

None of the Canadian writers draws any very definite conclusions about his phase of the problem in Canada. Each one contents himself either with indicating tentative opinions or with outlining subjects for further study. The reason for this is obvious. As part of a larger study of pioneering throughout the world, of which these publications of the American Geographical Society are a part, there is at work in Canada a Canadian Pioneer Problems Committee, engaged in a five year programme of research into immigration and colonization under the auspices of the American Geographical Society aided by the National Social Science Research Council. The authors contributing to this volume are all engaged in some branch or other of these studies and have not finalized their data or conclusions. It is to be hoped that the material that results from their efforts will be placed within reach of all Canadian legislators, editors and good citizens for there is a healthy tendency in this country to question our past immigration and settlement policies and to search for better policies to adopt in the future.

A study of these two volumes is a great aid to clear thinking on the problems of settlement.

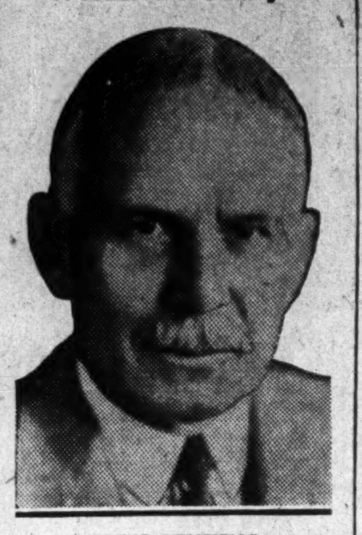
"The Pioneer Fringe" ($4) and "Pioneer Settlement" ($5) are published by the American Geographical Society, Broadway at 156th Street, New York. The two volumes, when ordered together, may be had postpaid at $7.50.

Lithographing Industry Chiefly in Ontario

There were 43 firms engaged primarily in lithographing in 1931. The distribution by provinces was: Ontario 29, Quebec 8, British Columbia 3, Manitoba 2, Nova Scotia 1. A number of other firms do lithographing as a sideline. The average number of employees was 2,965 as compared with 3,211 in 1930.

Salaries and wages totalled $4,257,511 compared with $4,701,389 the year before and the value of the products was $11,135,421, as against $13,697,917 in the previous year.

Westmount's Mayor



JOHN JENKINS

General manager for Canada of the Employers' Liability Assurance Corp., who has just been elected mayor of Westmount for the coming year by acclamation.

DOMINION BRIDGE LIQUID POSITION SHOWS STRENGTH

President Tells Shareholders Outlook for Business is Not Bright

From Our Own Correspondent

MONTREAL.—Existing conditions are discouraging and show no signs of immediate improvement in so far as Dominion Bridge Co. is concerned, according to a statement made by G. H. Duggan, president, at the annual meeting of the shareholders. While the outlook for new business was not bright, Mr. Duggan emphasized the strong liquid position of the company's finances.

His comments were, in part, as follows:

"As indicated by the report, the construction industry, from which your company gets its business, is hard hit by the prevailing depression. The report states that our output was 46 per cent less than last year's and new business entered 67 per cent less, but to fully appreciate the great recession in the industry one must go farther back. Compared with 1929, last year's output is 71 per cent less and new business 82 per cent less than that year; we have to go back to 1924 to find a lower output and in new business to 1921 to find so small an amount.

Liquid Position Strong

"Notwithstanding considerable additions to plant account, the liquid position has not been impaired and is very strong. The statement shows net working capital at $7,220,000, comparing with $7,890,000 in 1929 and $4,140,000 in 1924, the last year that compares in output with that under review. The investment in plant and machinery, less depreciation, in round figures, compares as follows: 1924, $4,656,000; 1929, $7,902,000; 1932, $10,940,000.

"Investments in other companies, some of which have contributed handsomely to your revenues in the past and all of which have potential value, compare as follows: 1924, $1,415,000; 1929, $2,383,000; 1932, $2,724,000.

"So that we have today fixed assets, including investments in other companies, totalling $13,664,500 or $7,600,000 over those of 1924 and $3,588,000 larger than those of 1929, the banner year, with over $400,000 more working capital than in 1929.

"I may call your attention to the facts as shown by the report that the amount of working capital alone is approximately $14 per share, and that $6,536,000 of this working capital is in cash in banks, guaranteed call loans and bonds, only $574,000 of which are not Dominion Government or Municipal; the bulk of it is therefore convertible into cash at request. Also, that the company has no fixed liabilities, so that the ownership of all the assets of the company fixed and liquid, is vested in the holders of the common shares."

Approve New By-laws

The meeting approved changes in existing by-laws concerning annual meetings, and the date and method of notification thereof to shareholders.

The following directors were elected at yesterday's annual general meeting: G. W. Allan, K.C.; W. F. Angus, Hon. A. J. Brown, K.C.; Hon. P. Burns, C. H. Carlisle, Norman J. Dawes, T. R. Dacon, G. H. Duggan, A. A. Hodgson, Sir Herbert S. Holt, J. W. McConnell, Ross H. McMaster, C. B. McNaught, Howard Murray, W. G. Murrin, Julian C. Smith, H. H. Vaughan, W. J. Blake Wilson.

The following officers were appointed at a meeting of directors held immediately after the annual meeting: G. H. Duggan, president and managing director; W. F. Angus, vice-president, and Julian C. Smith, vice-president.

Other officers appointed (who are not directors): N. W. Warren, vice-president in charge of operations; W. Taylor-Bailey, vice-president in charge of sales; L. R. Wilson, vice-president in charge of construction; S. W. Campbell, vice-president and western manager; A. H. Cowie, assistant general manager; F. P. Shearwood, chief engineer and F. W. Evens, secretary-treasurer.

Other People's Views

An Unfortunate Mix-up

The Herald, Hanna, Alta.—Rather wonderingly we read an article in a Montreal paper giving Major Strange's views on the present day attitude of Western farmers. What made us wonder was the statement that Major Strange was from Peace River.

"The outstanding success which he achieved on his farm at Wembley, Alberta, has done much to popularize the expansive Peace River country in recent years," the article states after commenting on "Major Strange's spectacular victories at the International Grain Show in Chicago."

Major Strange farmed at Fenn, Alberta, which is a long way from the Peace River. He won the wheat championship at Chicago once. The writer of the article obviously tripped over himself and confused Major Strange with Herman Trelle, of Wembley, who has won the international wheat championship at Chicago four times since 1926, besides carrying off championships in oats and other grains several times.

Trelle is the outstanding wheat genius of the North American continent. No one, in theory or practice, can hold a candle to this young Peace River farmer. It is indeed unfortunate that the writer of the article was so ignorant of the facts as to place Major Strange in such an embarrassing position.

The Royal Bank of Canada Presents Strong Statement

CASH ASSETS 164 MILLION DOLLARS

64th Annual Meeting of Shareholders

"Canada Has Maintained Her Credit Unimpaired"

"REAL PROGRESS TOWARDS RECOVERY HAS BEEN MADE"

Sir Herbert S. Holt deals vigorously with Railway and Newsprint problems—Emphasises need for Government Economy—Imperial Conference—Canadian Business Conditions—International Outlook

Mr. M. W. Wilson Reports on Satisfactory Year's Operations—Central Bank Discussed—Measures Needed for Business Recovery

The Sixty-Fourth Annual General Meeting of the Shareholders was held at the Head Office of the Bank, in Montreal, on Thursday, January 12th, Sir Herbert S. Holt in the chair.

Mr. S. D. Boak acted as Secretary of the Meeting and Messrs. the Hon. Gordon W. Scott and H. Carson Flood as Scrutineers.

PRESIDENT'S ADDRESS

SIR HERBERT S. HOLT, chairman, in moving the adoption of the Directors' Report, said:

The Sixty-third Annual Report and Balance Sheet submitted to you today disclose the strong position of the bank. As you would expect, Balance Sheet figures reflect world-wide curtailment in industry and commerce coupled with lower price levels, but the liquid position of the bank has been fully maintained, and profits are only moderately down from the previous year. In July the dividend was reduced from 12 per cent to 10 per cent, and the last two quarterly dividends have been paid at the lower rate. Similar action was taken by other leading Canadian banks. I hope this reduction will prove to be of only a temporary character. I need hardly point out that our business is firmly established, and that earnings will benefit at once from any improvement in general conditions that may arise. The General Manager will deal with the financial statements in detail.

The power of resistance which this country has shown during the third year of the depression is cause for congratulation. With no financial assistance from other countries other than a small amount of re-financing, which was arranged on a strictly business basis, with currency depreciation in terms of gold limited to a very moderate percentage, and with none of the restrictions on foreign exchange or international trade which have been found inevitable in so many cases, Canada has lived up to the letter of her contracts and maintained her credit unimpaired. In doing so she has followed the tradition of the British Empire as a whole. It is no exaggeration to say that the stability and soundness of the Empire's banking institutions have played an important part in the creation of this good record.

RAILWAY SITUATION

The report of the Royal Commission on Transportation, published in October, reveals the grave situation with which the country is confronted in respect to the Government Railways. During the period 1923-31 reviewed by the Commission, the accumulated annual losses amounted to $456,000,000. It is obvious that this great drain upon the Dominion Treasury cannot continue without severely impairing the credit of the country.

The Commission found that the situation is due, in a large degree, to unnecessary duplication of railway facilities, to political influence and extravagance in the administration of the Government Railways and to competition between the Government Railways and the Canadian Pacific Railway. To meet it, they recommended co-operation between the two systems to effect mutual economies, by subsituting joint for competitive facilities and services, wherever that might be done without detriment to the public needs, and by the pooling of traffic and other like arrangements; differences between them upon such matters to be settled by arbitration.

It is obvious that co-operation of this sort will not prove drastic enough to cut down in any adequate degree the annual deficits of the Government Railways to which I have referred. A plan founded upon agreement between rival enterprises, and the solution of the vast and intricate questions of the maintenance and administration of separate properties, presents difficulties for which it is not possible to find a ready and lasting remedy. It is said that public opinion is not ready for complete amalgamation, but this assumption, I am convinced, is made without regard to the inherent sanity of the people of this country, and it must be apparent to everyone that the maximum of economy can be attained only under a union of interests which will remove the element of competition.

What is generally alleged against amalgamation is that it would result in the establishment of a monopoly of great magnitude and power in the hands of those responsible for its administration, but in my opinion such fear is groundless, as under the present system all rates and services are regulated by law under the administration of the Board of Railway Commissioners, and there is no reason to suppose that a like supervision would not still continue. For my part, I can see no reason why, with proper safeguards, unification would not result in the establishment of a co-ordinated transportation instrument at once adequate to the needs of the country and conducted at a minimum of expense. I know of nothing that will re-establish more quickly the confidence of Canada and its national and corporate solvency than a solution of its railway problem in a manner which will ensure elimination of the unwarranted waste which is inevitable in the present situation.

NEWSPRINT INDUSTRY

Probably no major industry in Canada, save railways and agriculture, has suffered more from the drastic decline in consumption than the Canadian newsprint industry, with the result that the mills find themselves with productive capacity far in excess of present-day requirements.

The difficulties in the industry have been materially enhanced by extreme and unjustly competitive methods, which have resulted in the burdens due to lower consumption bearing more heavily on some plants than on others.

The view which is still expressed that high-cost producers should be eliminated and capital structures pared down, can now be regarded as almost meaningless. In substance, this adjustment has already taken place and high-cost mills are not now operating. In spite of drastic economies, the industry now faces the difficulty of covering its actual operating expenses, before provision for any interest or depreciation. In these circumstances, a continuation of price-cutting methods is not in the interests of the people of this country, particularly the workers in our woods and mills, and if the strong efforts that are being made to secure co-operation are not successful, Provincial Governments must take steps to conserve Canadian natural resources, and to prevent the collapse of this vitally important industry.

FARMING, INDUSTRY AND COMMERCE

In the course of the past three years, Canadian farming, industry and commerce have weathered a storm of unparalleled severity. Reduced demand from foreign markets and the rapid decline in internal purchasing power have been reflected in prices which are unprecedented. Amid these difficult conditions those who have suffered most bitterly have been the farmers and those workers who have been left without employment by the recession in industrial activity. Private charity, national, provincial and local governments have done all that lay within their power, but no possible measures of relief could have met this situation in a manner which would have proved entirely adequate. The endurance and fortitude exhibited in this difficult period are a measure of the strength of character of the Canadian people.

Throughout Canada the harvests of 1932 were satisfactory; the West harvested the fourth largest wheat crop on record. The quality of the wheat was excellent; more than 90 per cent has been of contract grade. It is obviously not low yield but low prices which are responsible for the difficulties with which the farmer is confronted. Relatively satisfactory wheat exports have been made. The amount of wheat handled through Vancouver constituted a record. Montreal handlings have been the largest since 1928; and recently a much increased volume has been shipped from Maritime ports. Canadian ports and railways are already beginning to reap substantial benefits from the agreements made at Ottawa.

The lumber industry has been badly depressed throughout the year. Because of the small volume of building in Canada, a contraction in the demand for lumber was inevitable and the industry has also had to face the effects of a drastic increase in the tariff of one of its best customers, the United States. Implementing the Ottawa agreement, Great Britain granted us a tariff preference, which would undoubtedly have resulted in a much more substantial increase in shipments had it not been for the low level of the pound sterling in Canada and for the excessive volume of imports produced by conscript labor that has been dumped in the British market by Russia.

Other manufacturing activities have been at a low level. Steel plants have been operating at only about 20 per cent of capacity and at the present time they are down to 12 per cent. Demand for textiles has been fair and the textile plants in general have been operating at about 60 per cent of capacity. In 1931 there was a fair revival of activity in the boot and shoe industry, in 1932 the volume of production again increased; this constitutes one of the few bright spots in manufacturing activity.

GOVERNMENT EXPENDITURES

For many years, government expenditure has been on an excessive scale. Extravagance has characterized the budgets of national, provincial and municipal governments. Throughout the country there is a general demand that budgets be balanced and every effort made to lighten the heavy burden imposed upon the people by reducing the unduly heavy taxation.

There is a noteworthy duplication of government in Canada which leads to the excessive cost of administration. We must seriously consider whether this country can afford to maintain as many as nine separate Provincial Governments, together with the Federal Government, each with an elaborate organization. The whole population of Great Britain is governed by a single parliament which finds time to legislate, not only for all internal matters, but also for those which concern the Empire as a whole. The States of New York and Pennsylvania, each of which has a population closely equivalent to that of Canada, are each governed by a single legislature. In the United States, where it is generally recognized that government expenditures have been excessive, the cost for Federal and State Government amounts to $42 per capita, whereas the corresponding figure for Canada amounts to $53. This is not the time to temporize; the situation calls for drastic remedies and these must be found.

GOLD VERSUS GOODS

Civilization itself has been built upon the exchange of goods between nations. In the course of time, such exchange produced a steadily rising tide of prosperity, increased productive capacity and increased the volume of consumption in every part of the world. With the abnormal conditions which followed the beginning of the present depression, each country in turn has made enormous efforts to increase its exports, to decrease its imports, and to make itself less dependent on the outside world. Almost without realizing the nature of their acts they have, each in turn, taken measures which have undermined their own prosperity. They have sought payment in gold, rather than payment in goods. This struggle for gold has increased its value, thereby reducing the price of all kinds of goods. Instead of making their position less vulnerable, from a financial viewpoint, these measures which have raised the value of gold have also increased the burden of debt, undermined confidence, created fear and surrounded each country with a blockade or an embargo more effective than any that were achieved in time of war.

In a vague and almost aimless manner the world has permitted itself to drift into a state of economic warfare, more destructive than was the Great War of 1914. Each country is engaged in a campaign of attrition. If the futility of this were recognized, an armistice could be declared, but before there can be sufficient good-will to establish satisfactory terms of peace, the necessity for mutual concessions must be recognized by all combatants.

RE-ESTABLISHMENT OF WORLD TRADE

A World Economic Conference has been called. Its great task will be to achieve an armistice, the terms of which shall lift the embargoes which are causing this unprecedented distress among the civilized peoples of the world. The many world conferences of the past few years have been failures, each nation has come prepared to discuss the mistakes of other countries and to gloss over its own faults; each statesman has been willing to ask much and to concede little. Lack of achievement was inevitable. It is essential to the maintenance of civilization itself that the coming World Economic Conference shall be a success. The potential achievements of the Conference are of greater importance that any reasonable concessions which might be asked from any country. There should be a concerted effort to educate public opinion to the point where the peoples of the world will demand co-operative action on the part of their governments. That great institution for the education of public opinion, the newspaper, should be petitioned to take part in the movement. Public speakers and those who address the unseen radio audience should reinforce the appeal. There should be a demand from every city and town throughout the world for the re-establishment of world trade. The potential achievements of this Conference cannot be over-emphasized. Concerted demand from the peoples of all countries can establish agreements which will dispel fear, restore confidence, increase internal and external trade, and, above all, raise prices to a point where there shall be a more normal relationship between the burden of debt and earning capacity.

A number of events of major importance took place in the international sphere during 1932. In the United States, the deflation which had been proceeding at an accelerated pace during the closing months of 1931, continued in full force during 1932 to such an extent that loans and investments of reporting member banks declined by more than 20 per cent or by more than four billion dollars between July, 1931, and July, 1932. Early in 1932 the Federal Reserve System adopted an anti-deflationary policy by adding to their holdings of government bonds. By July it appeared that these measures had attained some degree of success. Aided by a better feeling in Europe, where the cancellation of reparations and the success of the British Conversion Loan were very favorably received, business in the United States improved and commodity and security prices commenced to rise. The reversal which has since taken place has been a disappointment. No doubt it was caused in part by the uncertainty attending a Presidential election and the war debt controversy. At our Annual Meetings in 1931 and 1932 I pointed out the necessity for an extremely easy money policy in the United States if deflation were to be arrested. This policy was only adopted in February last and became effective only when the outward gold movement ceased in June. If the positive effects are not yet great, it can certainly be said that a much worse situation was averted. It is essential that faith in this policy should not be lost, and that it should be given time to work. The gold coming into the United States should be allowed to have its full influence on credit. Any material reduction in the Federal Reserve holdings of government bonds would have to be regarded as regrettable under existing conditions.

SUMMARY

In Canada, the most important event of the year under review was the Imperial Conference in Ottawa. There is no need to attempt on this occasion on analysis of the arrangements which were made and their probable effect on Empire trade It can be said, however, that they should do much to promote Canadian exports to Great Britain and to the overseas Dominions and Colonies, as well as to increase our purchases from these other countries of the Empire. Perhaps the most important work of the Conference was its demonstration of the fact that in spite of many difficulties, countries can succeed in agreeing to concessions to promote the reciprocal business on which world prosperity is founded. We must hope that this attitude will be strengthened as time goes on, so that more doors will be opened to trade, both inside and outside the Empire.

The basic idea of the Conference originated with the Right Honourable Mr. Bennett, and the material achievements attained are a triumph for him and his government.

On the whole, the news of the world indicates a gradual increase in stability. A government has been elected in the United States which will have a working majority, and it is to be hoped that this government may carry out a constant programme. Holland, Denmark, Belgium and Luxemburg have reduced their tariffs in order to facilitate greater freedom in the exchange of goods and have left the door open to other countries to join them. In Germany there has been a marked improvement in general business conditions. There is some basis for hope that the nations of the world are upon the verge of a better understanding and co-operation concerning war debts, disarmament and trade barriers. Great Britain has greatly improved her budget position and has made a notable contribution to the easing of long-term money rates by an amazingly successful conversion operation.

During the past year we have given fresh proof of our ability to adapt ourselves to depressed conditions. If we are called upon to meet further tests, the country is fully capable of responding to the challenge. Naturally, we all hope that we shall not have to do so. Prophecy continues to be dangerous, as unforeseen developments in the sphere of international politics and finance can exert a powerful influence for good or evil. My feeling is that present indications point to the initiation of substantial recovery in 1933, if a reasonable degree of international common sense and co-operation can be secured.

The Hon. A. J. Brown, K.C., Vice-President, then seconded the motion for the adoption of the Directors' Report.

GENERAL MANAGER'S ADDRESS

MR. M. W. WILSON, Vice-President and General Manager, then referred to the Annual Statement, as follows:

The Annual Report and Balance Sheet before you today are evidence of satisfactory operations during a year of acute financial and economic depression. In keeping with the general trend, balance sheet figures are moderately lower, but the liquid position of the bank has been strengthened, and profits, while down, fully cover dividend and other year-end requirements.

Total Assets are $765,512,920, compared with $825,702,436 a year ago. Deposits have been well maintained. Interest Bearing Deposits show a reduction of only $7,998,018 to $468,391,153, which we consider gratifying, having regard to the fact that a large number of our depositors were encouraged by us to participate in the Government loans floated during the year. Free Deposits, representing as they do working balances of agricultural and business clients, reflect the falling off in trade activity, and are shown at $128,983,165 compared with $170,913,903 a year ago.

Note circulation has contracted in keeping with lower prices and restricted trade. Letters of Credit reflect the same condition in the international field.

Advances under the Finance Act of $25,000,000 are accounted for to the extent of approximately $9,000,000 by our share in the $35,000,000 loan by the Canadian banks to the Dominion Government in November. The balance represents amounts we use from time to time to finance seasonal requirements of customers, principally those engaged in marketing our grain crops.

An outstanding feature of our statement is that Cash and Cash Balances total $164,630,724, or over 24 per cent of public liabilities. Government and Municipal Bonds are higher at $116,199,288, and Railway and other Bonds, Debentures, etc., lower at $9,748,496. These investments are shown in the Balance Sheet at or below market prices. Call Loans in Canada have been reduced by over $10,000,000, and now stand at $28,951,263, while those abroad have been reduced from $37,156,111 to $36,400,142. Total liquid assets are $355,929,915, up from $348,630,551 a year ago, and are equal to 52.86 per cent of public liabilities.

For a number of years we have carried an unusually large amount in Undivided Profits. This year $3,000,000 of this amount has been allocated to Investment Depreciation Reserve. You will, I am sure, regard this as a conservative measure, strengthening as it does the inner reserves of the bank to this extent, and leaving the substantial balance of $1,166,954 to be carried forward in Profit and Loss Account.

GOVERNMENT BOND MARKET

A notable improvement in the market for Government bonds took place during the year. Canada again proved its capacity to provide the funds required by our public bodies. Apart from some refinancing which was carried out by the Dominion Government in New York and two Provincial issues in the London market, flotations abroad were negligible in amount. Provincial issues in Canada totalled approximately $118,000,000, compared with $71,000,000 in 1931. During the year the average yield on Dominion Government long term bonds declined from 5.20 per cent to about 4.83 per cent. This represents a distinct and very satisfactory improvement, which in due course should be carried further, as additional capital seeks investment in gilt-edged securities.

The President has dealt comprehensively with conditions at home and abroad, and I have no intention of traversing the same ground. However, I should like to refer to several matters that have been the subject of discussion throughout Canada recently, and regarding which a banker might be expected to express his views.

CENTRAL BANK

I have frequently said, and still believe, that the banking system of Canada adequately serves the needs of this country. The past few years have been a time of trial and a test of the strength of financial institutions in all parts of the world. We in Canada should be proud of the manner in which our institutions have stood the ordeal. A central bank could perform few services not available under our present system. Too often, I fear, it is thought that a central bank would furnish increased credit facilities to farmers and others. This is not the case. At no time during the present depression has it been necessary to withhold bank credit for agricultural or commercial purposes when proper security was offered. A central bank would not in any sense do away with the necessity of requiring adequate security for banking accommodation, nor permit banks to undertake long term transactions instead of short term advances for productive purposes. In other words, our responsibility to our depositors whose funds are entrusted to our care would not be lessened by the establishment of a central bank. The borrower with inadequate banking security would be no better off then than now.

The question is not one to be disposed of summarily, and I should hope that if Parliament is called upon to deal with the matter, the Government will first have the project examined thoroughly by a body of experts, including several from older countries who have had experience in the practical working of a Central Bank. I confess to a reluctance to tinker with our financial machinery in a time like this.

COMMODITY PRICES

On previous occasions we have stressed the importance of restoring the world price structure to approximately 1924-28 levels. I remarked last year that such action was essential if the present deflation is to be liquidated in an orderly manner, pointing out that deflation had been carried to extremes and that anti-deflation measures were urgently required. Unfortunately, price levels continued to fall until the end of June, and the rise which commenced at that time has since been cancelled. The decline for the year as indicated by the United States Bureau of Labour Index, will be, apparently, about 7 per cent, which compares with 13 per cent in 1931 and 17 per cent in 1930. The best that can be said is that the rate of fall was appreciably less than in previous years.

The vital necessity for increasing prices is now commonly recognized, but the difficulty of countering deflation increases as the depression continues. We must hope that the forthcoming World Economic Conference will point the way to constructive action in this respect.

There is little inclination to indulge in prophecy as to the future. As Sir Herbert stated, there are indications of a gradual increase in stability throughout the world. This is particularly true in Europe, where conditions were anything but favorable a year ago. In the United States, the financial crisis is apparently over, and a return of greater confidence is in evidence. Many problems of business readjustment remain to be met, both abroad and in Canada, but real progress toward recovery has been made, and the prospect of further improvement in the coming year is much more hopeful that it was a year ago.

I have full confidence in the character of our people and of our institutions, and without minimizing the importance of the problems that must be dealt with, I look to the future with increasing optimism.

BOARD OF DIRECTORS

The following were elected Directors for the ensuing year: Sir Herbert S. Holt, K.B., Hon. A. J. Brown, K.C., M. W. Wilson, Hugh Paton, W. J. Sheppard, C. S. Wilcox, A. E. Dyment, G. H. Duggan, John T. Ross, W. H. McWilliams, Capt. Wm. Robinson, A. McTavish Campbell, Robert Adair, Hon. Wm. A. Black, M.P., C. B. McNaught, G. MacGregor Mitchell, R. T. Riley, Stephen Haas, W. H. Malkin, Julian C Smith, W. J. Blake Wilson, G. Harrison Smith, W. F. Angus, Paul F. Sise, James McG. Stewart, K.C.

At a subsequent meeting of the Board of Directors, Sir Herbert S. Holt was re-elected President and Hon. A. J. Brown, K.C., and M. W. Wilson, Vice-Presidents for the ensuing year.

The Standing Committee of the Board was appointed, consisting of Sir Herbert S. Holt, Hon. A. J. Brown, K.C., M. W. Wilson, G. H. Duggan and Julian C. Smith.

Food Given as Relief Discarded by Families

Huge Waste Seen in Toronto Where Lack of Variety Leads "Poor" to Throw Away or Swap Viands

In Canada the relief business has developed into a huge affair. In Toronto, for instance, food is provided relief recipients through a central depot known as the House of Industry. The plan has been to hand out week after week to each family a parcel of food depending upon the size of the family. In the main the same foods have been given out each week.

This particular method has been creating a huge amount of waste. It has been found that many families are getting surplus quantities of certain products which they are not able to consume.

Human taste is fickle and demands a change of diet. Nevertheless with few exceptions—at least until recently—those on relief have had to accept the same foods each week. This is where waste has come in. Certain products have been known to have been discarded from parcels right outside the House of Industry. Others have been taken to retail stores and traded at about one-third their value for goods that would represent a change in diet. Retail grocers all over Toronto have had this experience. One merchant reports that certain of the people getting relief in his community have come to him with five tins of a certain product worth approximately 75 cents in the wholesale market and have offered them to him at 25 cents or 30 cents. They wanted perhaps a pound of bacon or something else for a change.

Feed The Chickens

Other cases have been known where bulk rolled oats have been given away by relief recipients for feeding chickens and rabbits in back yards and many foods have been thrown into the garbage. A real estate man reports finding tins of one food product among the rubbish left in a basement after a family on relief had moved out of the house. The labels on the tins were not even spoiled. Rolled oats have been found under similar circumstances tied up in charcoal sacks. Bulk cocoa, various cereal products, corn starch, cheap canned salmon have also been discarded.

No one can say definitely what percentage of the foods has been wasted under the system adopted in Toronto. One merchant, who has kept himself informed on what is going on, contends that it is 20 per cent, probably an exaggeration.

Heavy Coal Trade Boosts Toronto Harbor Tonnage

Heavy shipments of coal by water were responsible for the net tonnage of vessels entered and cleared at Toronto harbor in 1932, which totalled 5,361,604 tons, being nearly a quarter of a million tons greater than 1931, the previous best year on record. Tonnage in the previous four years was as follows: 1931, 5,113,648 tons; 1930, 4,116,729 tons; 1929, 3,931,203 tons; 1928, 3,514,274 tons.

Cargo tonnage also reached a new high record at 2,270,445 tons. Coal and oil registered substantial gains and there was a slight increase in general merchandise but structural materials recorded a decline.

Coal shipments made up almost 50 per cent of the 1932 total and at 1,062,994 tons were almost double the 1931 total of 560,347 tons. Coal deliveries in November were more than 200,000 tons, approximately 10,000 tons greater than for any entire year to and including 1929.

ONT. RETAIL SALES MAINLY FOR CITIES

Analysis of Census Returns Shows Two-thirds of Sales in Big Centres

Toronto was responsible for one-third of the total retail business done in Ontario in 1930, according to preliminary reports of the census of merchandising issued by the Dominion Bureau of Statistics, and the 32 Ontario cities, including Toronto, handled slightly more than two-thirds of the business. Total sales in the province amounted to $1,112,733,300 in 1930, the preliminary report on Ontario reveals.

Food stores accounted for 22.8 per cent of the Ontario total with sales of $254,077,700, followed by general merchandise with sales of $238,338,000 or 21.4 per cent. The automotive group followed in third place with 15.3 per cent of all sales for a total of $169,899,800.

There were 122,886 persons employed in Ontario's 42,388 retail stores in 1930 and they received $127,455,600 in salaries and wages. In addition, 28,036 persons who received $27,725,300 were employed in 14,844 service establishments.

Sectional and national chains accounted for 19 per cent of all retail business in the province while single store independents did 64 per cent of the business. Stores in co-operative buying organizations, local chains and branch systems accounted for the balance of sales.

In the following table sales for the province and for the 32 cities in Ontario with over 10,000 population, are shown, with percentage of business done in the cities.

Retail Sales By Groups, 1930

	Ontario $	32 Leading Cities $	% Total
Automotive..	169,899,800	109,000,700	64.2
Food	254,077,700	170,700,700	67.2
Gen. merch..	238,338,000	170,835,000	71.7
Apparel	92,033,600	73,285,500	79.6
Lumber	65,610,100	37,431,100	57.0
Furniture ...	24,458,800	16,375,800	67.0
Restaurant..	30,583,200	27,092,600	88.6
Total	1,112,733,300	747,911,900	67.2

Record Butter Production

Creamery butter production in Nova Scotia increased from 5,896,270 pounds in 1931 to 5,968,000 pounds during the year just closed. The new figure constitutes an all-time record.

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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Only Consolidation Can Lighten Burden of Railway Losses

C. P. R. Chairman Answers Critics of Amalgamation Plan — Railway Deficit is $162 Every Minute of Time in Canada

DUFF COMMISSION DODGED ITS DUTY

By E. W. BEATTY,
Chairman and President, Canadian Pacific Railway Company.
Address to Canadian Club of Toronto.

I have never accepted an invitation to speak before the members of any Canadian Club with more pleasure than I did that extended by your president, Mr. Chalmers. That was perhaps due to two things: first, my admiration for Mr. Chalmers, his sanity and the ability he shows in presenting the economic and financial problems of this country through the columns of the excellent weekly which he edits; and, secondly, because he has asked me to speak on a subject which is transcendently the most important of our domestic problems—the problem of our railways—a problem we have had before us on many occasions and in respect of which, viewed from the high vantage point of experience, we have made about as many mistakes as it is possible for an intelligent but overhopeful and overconfident people to make.

It will occur to you that perhaps I have spoken on railways before, as well as on other subjects, and in order to refresh my memory, I looked up some speeches of former days. The first one I ran across was entitled "An Address to Boys," and was made in 1919. I found it extolled the virtue of modesty, so I felt I could not use any of that before the members of the Toronto Canadian Club, either because it would be unnecessary or because it would not be understood. Another speech I found was entitled "Some Transportation Misconceptions," and, if I had not read my own appreciation of modesty, I might tell you what a good speech that was. I decided, however, I could not use any of it either as it might sound too much like "I told you so," and no one wants to hear that now. We are much more interested in the answer to the question "Where do we go from here?"

Taking Wrong Turning

We have had that question before us on three different occasions in the last ten years and on each occasion we have made a wrong turning. It is a tribute to the power of political sentiment in Canada that political expediency should determine so many of our most serious commercial problems, and it is little comfort when we realize the sometimes serious economic and national consequences that followed.

Now, once again we, with many more years of experience behind us, are faced with a railway problem more gravely vital to Canada's future than at any other time, and once again I am afraid the yardstick of political expediency is being hauled out to test the rightness or wrongness of suggestions designed to relieve Canadians of what has become an intolerable burden. And even in these times of awakened public interest and keen desire for the most impartial consideration of our major domestic question, there are those who counsel that nothing should be done—at least nothing that disturbs existing conditions; that we should follow the old road no matter whether it leads to disaster; that because we believed in our experiment in public ownership ten years ago we should stubbornly adhere to our former policies notwithstanding our experience, which incidentally, has been the experience of the world. The tragic humor of accepting advice of those who have consistently and religiously erred in matters of railway policy since Confederation requires no comment save that it is another indication of how slowly political expediency, assumed or real, dies.

One Set of Views

There are those whose record of counsel on railway problems consists of the following:

(1) Unrelenting opposition to the construction of the Canadian Pacific Railway.

(2) Enthusiastic support of the construction of the G.T.P. and Transcontinental Railways.

(3) Equally enthusiastic support of the Canadian Northern enterprise.

(4) Support of the acquisition of all major railways, save that of the Canadian Pacific, by the Government.

(5) Support of the policy of unrestrained competition offered by the Government Railways to its competitor during the last ten years.

(6) The maintenance of the duplication, and, in places, triplication of facilities we now enjoy whether or not bankruptcy is just around the corner.

May we not turn from this kind of counsel and impartially survey our position, not with the idea of depriving any community or injuring any class of our citizenry, but in an honest effort to avoid waste and live within our means, transportationally speaking.

Shaughnessy Plan

Will you permit me to rapidly review what we have done in the past decade in our effort, first, to inform ourselves as to our railways, and, secondly, to provide for the future.

In 1921, Lord Shaughnessy wrote his letter to the Prime Minister. I was privileged to be permitted to confer with him while he was preparing his memorandum. In some of his forecasts, and in a few details, I had some doubt as to whether he was entirely correct, but it must be admitted that he showed a breadth of view and of vision that only a really great Canadian could possess. Lord Shaughnessy was by nature, education and experience a believer in private ownership and operation of railways in Canada. However, [illegible] railway future and he proposed to the government that the outside enterprises of the Canadian Pacific should be separated from its railway and ancillary enterprises and that the government should acquire the railway properties of the company, guarantee a certain fixed return to its shareholders, and, having acquired the G. T. P., Transcontinental, Canadian Northern and Intercolonial Railways, enter into a contract with the Canadian Pacific to administer and operate the whole property on account of the people of Canada. He considered the most serious problem to be that of administration and operation. Political management would, he thought, be impossible because, among other reasons, policy and management must have the elements of continuity and could not be changed with every change of government without ruinous results.

Lord Shaughnessy's plan was not acted upon. If it had been accepted, hundreds of millions of dollars would have been saved to Canada, and we would, even under present conditions, not have had any serious railway problem on our hands.

Senate Makes Report

The next step in our effort to inform ourselves about the railway situation came in 1925 when a special committee of the Senate conducted a protracted, if informal, investigation. I sometimes wonder if the people of Canada as a whole realize the quality of the work done by the committee of the Senate, or of the ability of these elder statesmen shown in their for-the-most-part impartial and conscientious study of the questions submitted to them. They have the great advantage of being members of a body which is removed from the atmosphere of active partisan politics; have, individually, had great experience in business and, in many cases, have graduated from the political arena, and are, therefore, experienced in public affairs and generally judicial in their consideration of national and economic problems. While the Senate's deliberations were extended, their conclusions were brief and to the point, and, with your permission, I will refer to their more important conclusions:

Senate Report

Thursday, June 25, 1925.

It was made clear by the witnesses that the increasing of the obligations of the country on account of the Government railways is a matter causing much national concern.

The addition to the national obligations through the Canadian National Railways has, for the last six years, averaged about $100,000,000 annually, amounting in the aggregate, according to the Government and railway reports, to the sum of $710,943,247, or to the sum of $595,943,247 in the last five years. There is no assurance that under the present system this expenditure will materially decrease in the near future.

Among the different schemes discussed by the witnesses, the most important were:

(a) Co-operation between the Canadian Pacific Railway and the Canadian National Railways System.

(b) The acquisition by the Government of the Canadian Pacific Railway.

(c) The sale or lease of the Canadian National Railways to the Canadian Pacific Railway.

(d) The transfer of the Canadian National Railways to a private company, to be owned and operated by such company.

(e) The merging of the two railway systems for purposes of administration and operation.

That both the Canadian Pacific and the Canadian National Railways should be placed under the management of a Board of fifteen directors, five to be named by the Canadian Pacific Railway, five to be named by the Government, and these ten to choose five proven, capable business men to complete the Board; these last five directors to hold office for ten years and to be removed only for cause.

That a recapitalization be made of the Canadian National Railways from the point of view of earning capacity.

That the Canadian Pacific Railway be guaranteed an agreed dividend on its stock.

In the event of the joint management producing a surplus, a dividend at the same rate as is paid to the Canadian Pacific Railway be paid on the Government stock on the capitalization placed on the Government Railways. After the payment of these dividends, any surplus earnings available for distribution be divided between the Canadian Pacific Railway and the Canadian National Railways, in proportion to the valuation of the two systems.

It was also stated to the Committee that an inconsiderable part of the expenditure of the Canadian railways is attaining no other end than dividing existing traffic.

Your Committee is of opinion that unless energetic means be adopted to reduce our National Debt and the income tax, as is rapidly being done in the United States, we will be unable to command the foreign capital absolutely necessary for the development of our natural resources.

For those reasons, the scheme mentioned in sub-paragraph (e) of paragraph three above is strongly recommended to the attention of the Government.

The merging of the two railway systems for purposes of operation and administration as above will remove or dispense with duplication in railway tracks and rolling stock, in passenger and freight services, in railway stations from the Atlantic to the Pacific, in telegraph, express and other services, in the numerous other special offices and staffs, in administration boards, etc., etc., and thereby and otherwise save an enormous amount of money to the country.

On unification of the railways taking place, your Committee recommend that the powers of the Board of Railway Commissioners be increased, if necessary, to secure the safeguarding of the interests of the public.

Your Committee is of the opinion that the railway question is one of extreme importance and of the utmost urgency; that the constantly increasing public obligation on railway account is approximately two million dollars per week, and that until this problem is settled in some way which will reduce the present enormous expenditure there can be no relief from taxation which is bearing so heavily on all classes, nor can there be any move toward the reduction on rates and fares so essential to the prosperity of every inhabitant of Canada.

All of which is respectfully submitted.

W. B. Ross, Chairman.

Period of Free Spending

The report of the Senate was not acted upon, largely, I imagine, because conditions improved and with them railway revenues, and we entered upon the next few years of fictitious prosperity and free spending, which has had a substantial influence upon the severity of the present depression. The report consequently did not receive consideration by the directors or shareholders of the Canadian Pacific. What their attitude toward it would have been I do not know, but I am venturing to bring its provisions to your notice because the seven odd years which have since elapsed have amply justified their apprehensions and their estimate of the consequences of continuing the then and present method of operation of the government system.

May I suggest to you again that if the Senate's report had been acted upon several hundreds of millions of dollars would have been saved to this country.

Royal Commission Appointed

We come now to the events of the last two years. In 1931, during one of the sessions of the Special Committee of the House of Commons which has annually considered the report and appropriations of the Canadian National Railways, questions were asked which led me to think that the time would be opportune for an enquiry into the whole question of transportation in Canada by an independent tribunal; that much good might result and that at least there would be given much information of value to the public as a whole.

I had for two years prior been very apprehensive as to the railway situation. Our traffic had fallen rapidly, our debts had increased and the deficits of the National lines were great. So I conferred with the former president of the National Railways and suggested to him that during the course of his examination by the committee he might advise such an investigation as I had in mind. He readily agreed and made such a recommendation. It was unanimously adopted by the committee and later was unanimously approved by the House of Commons. The government acted upon the recommendation of the House, and the so-called Duff Commission was in due course appointed.

Based on Expediency

It will not be necessary to give you in detail the comission's recommendations. They have been generally published in the press, and the conclusion is inescapable that the commission's recommendations were, in part at least, based upon their own estimate of Canadian public sentiment toward the important question of public ownership, competition and of railway monopoly. This is unfortunate because the value to Canada of work of such magnitude and importance lies in the fact that it is built upon firm foundations, economic and national, and not upon an assumed public sentiment, the danger in which lies in the fact that public sentiment, always a fluctuating thing, is very often the result of lack of information, and the dissemination of facts in respect of the railway situation has never been an easy task in this country.

May I suggest to you that if the assumed political expediency of any plan were to be the test of its adoption, the creation of a Royal Commission would not have been necessary at all, and had it been established with this object in view it certainly would not have been composed of financiers, railwaymen and others whose qualifications to decide anything on these grounds would be at least doubtful.

Important as has been the work of the commission, particularly in its marshalling of the facts and its analysis of the history of transportation in Canada with its tragic consequences, it does not provide any adequate solution or ground for much hope to the sadly burdened Canadian taxpayers.

Species of Confiscation

The commission's chief recommendation as to future policy was the continuance of competition between the two railway systems, qualified by co-operation between them, enforceable by compulsory arbitration. While more than willing to co-operate, the Canadian Pacific is not willing to rest its future in the hands of a tribunal, on which it will only have a minority representation, and which in the nature of things cannot have any responsibility for the financial consequences of its decisions.

The company is regulated under the general law of the land, particularly in the matter of rates, and to such regulation it takes no exception. Under its charter it did gain some immunity for a period as to rate regulation, but that expired many years ago, and for over 20 years it has been subject to the orders of the Railway Commission the same as any other railway company. Its administration has not, however, been taken from it and it remains in the hands of its directors and shareholders. We cannot in justice to them and its security-holders, numbering in the aggregate 180,000, of whom 50,000 are in Canada and the remainder largely in Great Britain, agree to any legislation which takes from those who have risked their money in the enterprise and who have established a directorate to protect their investment, the determination of questions of administration and policy. We regard this as a species of confiscation which no government can justify and which nothing in the company's history warrants.

You might properly say to me: "You have been in railway work for over 30 years and you have been for over 14 years president of the company you represent, and you should be tolerably familiar with the present situation and with what the future holds. What suggestions, if any, have you to make?" That would be a fair question, and I will endeavor to answer it, but first let me point out two things which we in Canada have been trying to do and which are impossible of effective human accomplishment.

Competition Is Not Fair

First: we have set up a railway system owned by the state in competition—at times unrestrained and severe competition — with a privately owned company—apparently under the delusion that competition of that kind could contain any elements of fairness or equality. Can the state compete fairly with a citizen of the state? Most assuredly it cannot. Can a private company compete on anything like fair terms with a railway system backed by the long purse of the state? Again, it cannot. Should the 180,000 security and shareholders of the Canadian Pacific see their honest investment, based on confidence in Canada and its government, menaced by such competition even if the credit of the country could sustain, which it cannot, the losses incident to that system of administration of a great public utility? The answer again must be no.

That confidence in Canada has been expressed on numerous occasions and in the most emphatic form by the shareholders of the Canadian Pacific, is evidenced by the fact that during the past 30 years they have subscribed for $270,000,000 of stock in the company and have paid therefor $383,698,829 or a premium of $42.11 per one hundred dollar share.

Deluding Ourselves

If we were mistaken in our appreciation of the value of competition, or did not sufficiently realize the waste and losses it involved, and especially involved in railway competition between the government of Canada and a private company, should we perpetuate another fallacy on the assumption that we can have competition and co-operation, that we can struggle for conflicting interests and yet not conflict? Why delude ourselves into the belief that we are supermen, indifferent to the spirit that competition and contest provoke, that we can maintain our own traffic and revenues and yet divide them, that we can act like enemies and friends at the same time, and, lastly, that we can afford to do the things we cannot afford to do and perpetuate the waste we cannot afford to perpetuate.

I have intentionally refrained from burdening you with figures because I know that statistics are sometimes difficult to follow, but I cannot refrain from one or two based upon the report of the Royal Commission. The losses on the Canadian National Railways (including Eastern lines) during the ten-year period 1923-1932 (partially estimated for 1932) aggregated approximately $549,576,000. The average annual deficit during the last three years was $85,102,000, which is equivalent to $7,091,833 per month or $232,944 per day.

During the last ten fiscal years, the federal income taxes from individuals amounted to $249,274,000, or less than half the deficits of the government railways.

Income taxes collected from corporations during the same period amounted in the aggregate to $341,164,000, making a grand total from both individuals and corporations of $590,438,000, or only $40,862,000 more than the deficits of the Canadian National Railways.

$162 Every Minute

Can we afford to view such a situation with equanimity, or can we reasonably and definitely ask for some relief? Can we regard the question impersonally, and, because the figures of the country's railway losses are so large as to be almost astronomical, can we afford to be indifferent when, based upon the average for the past three years, we lose $162 every minute of time?

In times of trade depression, industries, if they are wisely administered, set out to meet the new conditions and protect the integrity of their property. They do this in the interest of their own solvency, their security holders, shareholders, their officers and their men. Though more difficult of application in the case of government, the same principles pertain and particularly do they obtain when the government is in a business as heavily as the government of Canada is in the business of transportation. Let me briefly indicate to you what avenues of relief to meet the situation would be normally and naturally explored by the government owners. They would be:

1. An effort to increase revenues.
2. An effort to decrease costs.
3. To meet losses by increased taxation.
4. To continue borrowing to meet the losses.

Large Rate Increase Impossible

The only way of increasing gross revenues would be through an increase in rates, and, based upon the year 1931 results, it would require an increase in freight rates of 63 per cent to make up the railway losses of the government system of that year. I feel I do not need to indicate to you that such a remedy if attempted would have no hope of accomplishment.

To eliminate the 1931 deficit by reducing costs would have required a cut in operating expenses of almost one-half. The largest single item in costs is wages, but no sane Canadian would think it possible to drastically and immediately reduce wages to such a level as would wipe out railway deficits. It would require a reduction of 74 per cent to accomplish deficit elimination by this process.

There are obvious limits to increasing taxation. That imposed in recent years has not kept step with increased government expenditures, and it seems clear that under present conditions the amounts required to meet railway deficits would be difficult, if not impossible, to raise in this way. In 1931 it would have required a 34 per cent increase in total tax receipts to balance the accounts of the government railways. This is equivalent to one and one-half times the amount of the income tax collected in the year 1931-32 from individuals and corporations.

Burden of Borrowing

This leaves only one method and that is continued borrowing. I do not need to remind this audience that a continuation of this method of taking up our annual losses can only spell ultimate disaster. The law of compound interest applies to government borrowings for deficits in the same way that it applies to commercial debt, and the growth of interest charges, while these deficits continue, will be very rapid. Such a continuance of heavy borrowing will at best place a heavy burden on future generations. Bankers, financiers and business men, while retaining their confidence in this country, are a unit in their warning that our borrowings must be restricted if we are to avoid the serious consequences which other nations have experienced from a similar course.

And now let me revert to the imaginary question you are presumed to have asked me: "What would you consider a proper solution?"

Canada has a population of about ten million people. It has approximately 42,000 miles of railway, or 236 people per mile of railway. In other words, it has fewer people per mile of railway than any other civilized country. It has several thousands of miles paralleled by other miles, serving the same territory and reaching the same terminals. This constitutes our greatest individual item of waste. Why should we maintain something we do not require and maintain it at tremendous loss, and can we afford to do so?

Must Reduce Mileage

In my opinion we must not only limit our capital expenditures to those that are essential or that will produce a reasonable return in the near future, but we must reduce our present mileage to accord with the actual needs of transportation and of national development, and we must at the same time eliminate all expenditures designed to secure traffic for a competing railway rather than provide a necessary service for the public.

These results can, in the view I take, only be attained if we consolidate our two railways into one system with one management.

The conclusion appears inescapable that a means must be provided for making the necessary economies without prejudicing the public interest and the control and management should be accompanied by a proper measure of responsibility on some agreed basis either by the government to the Canadian Pacific and its shareholders, or by the Canadian Pacific to the government in relief of its railway burden. By no other means can we secure a sound business administration for our railway undertaking and relief to the taxpayers of Canada.

Answering Objections

Throughout the world, adjustments to permanently effect savings and eliminate waste are being secured by consolidations and limiting the plant to the needs of its patrons and by abandoning operations which are unnecessary and cannot be conducted profitably. Why not in Canada?

Two objections are urged against such a plan, and they are, first, that it constitutes a virtual monopoly of rail transportation, and secondly, that it is unfair to the employees in that it means in time reduction in personnel. Careful consideration of these objections indicates that neither is well founded. Let me deal first with the question of monopoly.

In all the plans brought forward, looking to unification for the purpose of administration of the Canadian National and Canadian Pacific, there has been coupled a recommendation that either through the medium of the Railway Commission, with enlarged powers and stronger personnel, or by the establishment of a new tribunal of eminent and independent men, any action taken by the combined company and which affects the public interest should be subject to review. It would be the court of last resort, where the wisdom or propriety of any action taken affecting the public would receive approval or otherwise. The dangers of railway monopoly are now mythical. Railways may unite, but no transportation monopoly is accomplished by their union. We have three distinct and growing competitors; the lakes and rivers, the motor vehicle, and the aeroplane. A rail monopoly regulated by public authority and subject to the restraints that other forms of transportation competition will provide does not contain any element of menace or danger of unfairness to the shippers or travelling public under modern conditions.

Not Hard on Labor

Then there is the second objection that union means a disregard for the human element in that it will involve a reduction in personnel. It is true that this may be the result; yet such a reduction is inevitable unless very prosperous conditions are restored. But those who are apprehensive are apparently unaware of the substantial turnover of railway labor in normal times. It has been shown by investigations in the United States that the normal turnover by withdrawals due to ill health, death, retirements and voluntary changes runs from five to six per cent per annum of the total number of employees. Therefore, from natural causes, in the event vacancies were not filled, the personnel of Canadian railways would be reduced in five years from 25 to 30 per cent, and it would not be possible to administer the unified properties with a staff reduced below 75 or 70 per cent of normal. Consequently, the danger of injustice can be readily exaggerated, and, of course, the danger of reduction, even to the extent I have mentioned, decreases with the return to more normal times and heavier traffic.

In addition you would be right in assuming that the administrators of this property would be no less concerned about the welfare of their employees than the railway managements of the present day, and ample evidence exists of the fact that labor itself is generally and fairly satisfied with the justice of the attitude of the administrators of Canadian railways toward their employees.

Leaks Must be Stopped

I am not a pessimist—especially I am not a pessimist in regard to Canada and its people. We have as effective a system of government as democracy permits. Our public men are as loyal, as high-minded and as conscientious as those of other countries. Our citizens are steadfast, self-reliant and courageous, and have proved it during the past three years. Our Prime Minister is a man of very exceptional ability, courage and capacity. His colleagues are doing their utmost to meet the country's countless difficult problems in accordance with policies to which they and the government have subscribed. He and they have in opposition to them leaders of great capacity and experience and representatives of the people who also are deeply disturbed by present conditions and prospects and are desirous of securing relief to Canada from its railway embarrassment. That these problems are grave and unusual needs no demonstration to this audience, and their very gravity and unusualness assure their thoughtful analysis by our citizens—not with the idea of offering gratuitous, and, therefore, unwelcome advice to those in authority who are responsible for the shaping of our course as a nation in the almost uncharted sea of this depression, but with a desire to give intelligent assistance to the consummation of any plans designed to clear the way to recovery and better days. Leaks which are draining the country and its people financially must be stopped or else our recovery is deferred or even rendered impossible. That this waste is appalling, figures in the report of the Royal Commission amply prove. Without adopting the particular plan they propose to solve the nation's railway problem, may I commend to your consideration the final paragraph of that report, to every word of which all thinking Canadians can subscribe:

"We feel compelled, as a matter of public duty, to strike a serious note of warning to the people of Canada. Unless the country is prepared to adopt the plan we have proposed, or some other equally effective measures, to secure the efficient and economical working of both railway systems and thereby not only reduce the burden on the federal treasury but improve the financial position of the privately-owned railway, then the only courses that would be left would be either to effect savings in national expenditure in other directions, or to add still further to the burdens under which the industries of the country are suffering by the imposition of yet further taxation. Failing the adoption of one or other of these courses, and there are obvious limits to their application, the very stability of the nation's finances and the financial credit of the Canadian Pacific Railway will be threatened, with serious consequences to the people of Canada and to those who have invested their savings in that railway."

Cannot Afford It

In conclusion, may I just mention one contention which is made by those who endeavor to shut their eyes to the real situation in Canada. It is that in times like these, in the midst of a depression wider, deeper, longer and thicker than any experienced in our lifetime, we should not frame policies which, by reason of the subnormality of existing conditions, may be said to be founded on fear or even upon despair and therefore are not appropriate to times of normal prosperity nor a credit to a constructive and courageous people. The answer in the case of this particular question—that of railways —is comparatively simple: we have created or inherited a system which is unscientific, unwieldy, unnecessary and insupportable by our ten million people; we cannot afford it even in normal times, so why not make it as right as it is possible to make it, and why not do it now?

Before closing I feel I should say a word of apology for the length of my remarks. I realize they are somewhat extended for an after luncheon address, but I could not touch the subject without elaborating it at least to some extent. You will I am sure appreciate that no company in the world could be more concerned with the prosperity and progress of the country in which it was founded and has its home than is the Canadian Pacific. Its whole success or failure is bound up in its ability to take part on fair terms in the transportation opportunities afforded by Canada's trade and commerce. In the half century that has passed since it assumed, by agreement, the obligation to build and forever maintain and operate a line of railway to connect British Columbia with Eastern Canada, it has performed no minor part in the development of Canada. I venture to suggest that it is a great national asset and one that can be used to advantage in the solution of Canada's pressing railway problem.

Economic Wisdom Down the Ages

and How History Repeats Itself

* * * *

PROSPERITY SUDDENLY ARRESTED

"A few months ago, the unparalleled prosperity of our country was the theme of universal gratulation. Such a development of resources, so rapid an augmentation of individual and public wealth, so great a manifestation of the spirit of enterprise, so strong and seemingly rational a confidence in the prospect of unlimited success, were never known before.

"But how suddenly has all this prosperity been arrested! That confidence, which in modern times, and especially in our own country, is the basis of commercial intercourse, is failing in every quarter; and all the financial interests of the country seem to be convulsed and disorganized. The merchant, whose business is spread out over a wide extent of territory, and who, regarding all his transactions as conducted on safe principles, feared no embarrassment, finds his paper evidences of debt, and acceptances and promises which he has received in exchange for his goods, losing their value; and his ability to meet his engagements is at an end . . . and loss succeeds to loss, till he shuts up his manufactory and dismisses his laborers. The speculator who dreamed himself rich, finds his fancied riches disappearing like an exhalation.

"What more may be before us in the progress of God's judgments—what tumults—what convulsions—what bloody revolutions—we need not now imagine. It is enough to know that this distress is hourly becoming wider and more intense; and that no political or financial foresight can as yet discover the end.

"Amid these present calamities, and these portentous omens of the future, it is not strange that many minds are seeking, and all voices are debating, the cause and the remedy."

Part of a sermon delivered by the Rev. Leonard Bacon, from the pulpit of Center Church in New Haven, Connecticut, in May, 1837, 96 years ago, and recorded by Irving Fisher, Professor of Economics, Yale University, in his book "Booms and Depressions."

* * * *

These quotations are from the collection of records and sayings throughout history in times of depression and adversity, made by H. G. L. Strange, Winnipeg. They appear weekly.

Saskatchewan Defaults on Interest to Ottawa

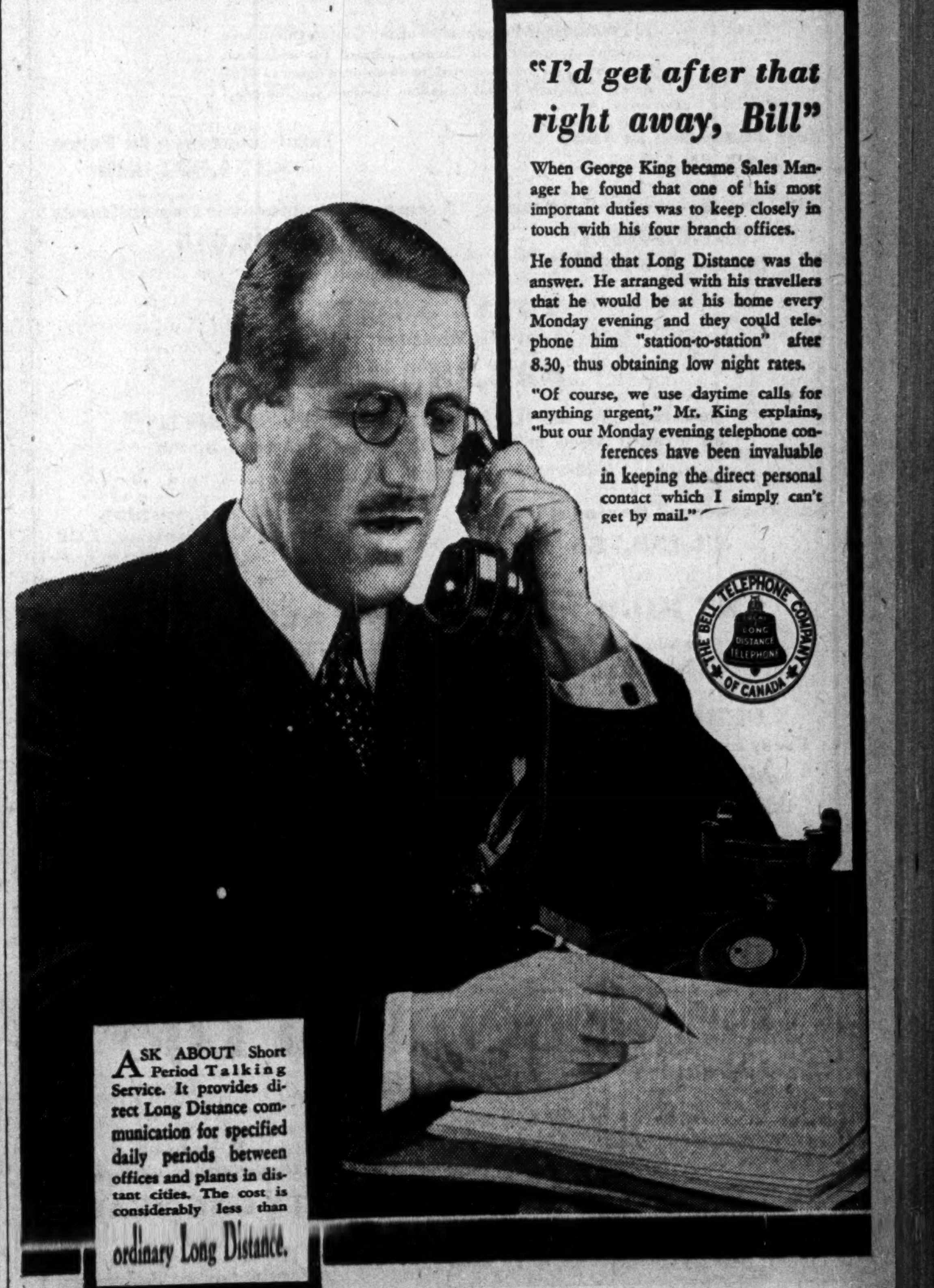
From Our Own Correspondent

OTTAWA.—Federal advances to the western provinces have now reached a new stage, in which the interest owing the National government on principal sums loaned to the provinces is being capitalized.

On January first the federal advances to the western provinces stood at $40,840,573. Since then Saskatchewan has defaulted interest payments on $3,500,000 loaned to the Anderson government in December, 1931. This interest amounted to $179,989.73 and has now been added to principal.

In addition another $100,000 has been loaned to Manitoba for expenditures on public works.

This adds $279,989.73 to the total advances to these provinces, bringing the grand total to $41,120,562.73.



NOTICES

Montreal Tramways Company

ANNUAL GENERAL MEETING

NOTICE is hereby given that in accordance with the by-laws of the Company, the Annual General Meeting of the Shareholders of the MONTREAL TRAMWAYS COMPANY will be held at the Company's Offices, Tramways Building, 159 Craig Street West, Montreal, at 12 o'clock noon, on Monday the 20th day of March, 1933.

This meeting will be convened as called and immediately adjourned until Monday, the 24th day of April, 1933, at the same time and place.

The Transfer Books will be closed from the 1st day of March, 1933, to the 20th day of March, 1933, both dates inclusive.

By order of the Board.

PATRICK DUBEE,
Secretary-Treasurer.

Monday, January 16th, 1933.

DIVIDEND NOTICES

Belding-Corticelli Limited

DIVIDEND No. 27

Notice is hereby given that on the Common Stock of this Company, the Directors have declared a Quarterly Dividend of 1¾%, payable on the 1st day of February to Shareholders of record at the close of business the 14th day of January, 1933.

By Order of the Board,

D. F. POLLOCK,
Secretary.

McIntyre Porcupine Mines, Limited

(No Personal Liability)

DIVIDEND NO. 67

Notice is hereby given that a dividend of five per cent. (5%), plus an extra dividend of two and one-half per cent. (2½%), on the Company's Capital Stock, will be paid in New York funds on March 1, 1933, to shareholders of record at the close of business on February 1, 1933.

By Order of the Board,

BALMER NEILLY,
Treasurer.

Dated at Toronto, January 12, 1933.

CATTLE EMBARGO IS FINALLY LIFTED BY GREAT BRITAIN

Large Potential Market Opened to Canadian Cattlemen

Restrictions on the importation of Canadian cattle into the United Kingdom have been removed by the announcement from London that the eighth section of article 5 of the agreement between the United Kingdom and Canada made at the Imperial Conference came into operation on January 17. This agreement will make it possible to import from Canada any class of cattle, whether for breeding purposes or not, and bring them into the market or to premises in the United Kingdom for sale or to move them about the country.

This action of the British Government marks the final removal of an embargo on Canadian cattle imposed in 1892, which was partially lifted in 1923 to admit steers. The admission of cows and heifers, however, awaited the pleasure of the Minister of Agriculture, and no order was given by the Minister of Agriculture in the ten years the act allowing the entry of steers was in force.

Export Possibilities

Possibilities of the British cattle trade can be judged from the following statistics. Prior to the act of 1923 all cattle exported from Canada to the United Kingdom had to be slaughtered at the port of arrival yet, during the 15 years from 1897 to 1911, Canada exported to the United Kingdom an average of 133,111 head of cattle per year. During the war and immediately afterward Canadian cattle could not cross the ocean to any extent but they were admitted free to the United States and in 1919, 308,562 head were exported, the trade reaching a climax in 1920 with the exportation of over 500,000 head.

The last year in which there was any considerable export to the United Kingdom was 1926 when 80,000 were shipped. None were sent to that country in the following three years and the trade was again started in 1930 with the export of 5,300 head and increased in 1931 to 27,000 head. Exports to the United States were finally cut off by excessive tariffs in 1930 but prior to that year an average of over 200,000 head had been maintained. With only the United Kingdom as a market, then, the available supply will not be far short of 300,000 head.

Tramp Steamers Handle Majority of Montreal Grain

Tramp steamers handled 57 per cent of the grain leaving Montreal during the 1931 season, according to figures of the Montreal Harbor Commission, 60,866,000 bushels leaving the port in this manner. Liners handled the balance of 45,560,000 bushels.

NOTICES

WANTED:

Young man, between 35 and 40, residing in Toronto, experienced as credit manager and comptroller. Familiar with handling the costs of a fleet of trucks. References necessary. Apply Box 123, The Financial Post, 1070 Bleury Street, Montreal.

The Dominion Bank

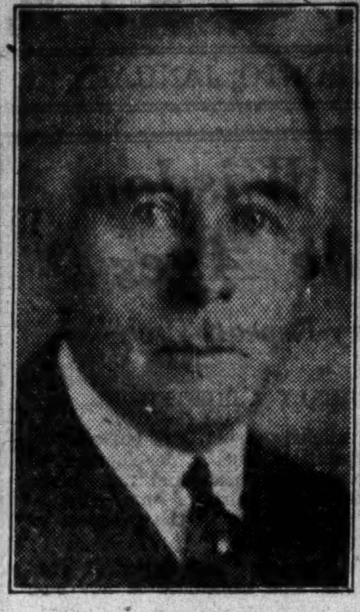
Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, 25th January, 1933, at twelve o'clock noon.

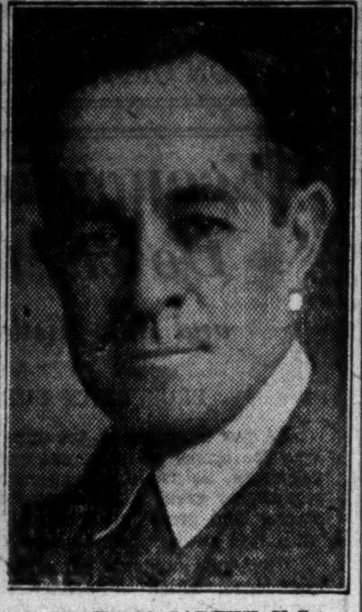
By Order of the Board.

C. A. BOGERT,
General Manager.

Toronto, 15th December, 1932.

Elected to Board of Directors


FRANK P. WOOD


FRANK McCARTHY, K.C.

At the annual meeting of the Central Canada Loan and Savings Company held January 18, two new appointments were made to the board of directors. The new directors are Frank P. Wood, president of Burlington Steel Company, and Frank McCarthy, K.C., of the legal firm of Messrs. McCarthy & McCarthy.

CAN. PERMANENT DIVDS. COVERED LIQUIDS IMPROVE

Reduces Mortgages Somewhat But Increases Bond Holdings

Canada Permanent Mortgage Corp. profits for 1932 were $888,559 as compared with $913,928 in 1931, a reduction of less than three per cent and ample to take care of 12 per cent dividends amounting to $840,000. This amounts to $12.69 a share as compared with $13.06 in 1931, $14.14 in 1930, and $15.12 in 1929.

Earnings Record

Year	Paid-up Capital	†Net Profits	Div. Rate	Rate earned per sh.
1928	7,000,000	1,046,789	12	14.95
1929	7,000,000	1,058,271	12	15.12
1930	7,000,000	989,516	12	14.14
1931	7,000,000	913,928	12	13.06
1932	7,000,000	*888,559	12	12.68

†After deducting interest on borrowed capital, expenses of management, taxes, and making provision for possible losses and contingencies.

*Before deducting amount written off office premises, $55,746.

The company's balance sheet reveals that it has come through the difficulties of one of the most adverse years yet met by mortgage and loan companies in Canada with liquid position improved by larger holdings of government and other high-grade bonds and cash. Although the year brought about substantial withdrawals for investment in Dominion and provincial government issues, deposits and debentures outstanding have only been slightly reduced. Mortgage investments, including interest due, did drop from $57,908,326 to $55,987,994 but the amount of real estate held for sale is comparatively small at $758,273 as compared with $633,347 at the outset of the year.

Debentures and Deposits Lower

Other changes in the balance sheet position during the year are shown in the following table:

	1932 $	1931 $
Other Assets		
Cash & quickly marketable securities .	9,424,706	9,246,974
Dom. & prov. bonds .	2,536,120	2,720,545
Guaranteed bonds ...	1,486,335	997,551
Municipal bonds	1,153,224	1,218,037
Other bonds and debs.	481,144	1,155,332
Cash	2,472,855	1,857,916
Stocks	1,973,853	*1,973,853
Total assets	71,587,473	73,260,893
Liabilities		
Sterling deb. stock & accrued int.	793,932	793,932
Debs. pay. Great Brit.	11,770,562	11,830,269
Debs. pay. in Canada	28,560,194	29,383,593
Deposits	14,608,179	15,406,462
Income tax reserve .	100,000	90,000

*Included in this item is $980,000 of the $1,000,000 capital stock of The Canada Permanent Trust Co., which is carried at par although the Trust Co. has reserves exceeding $450,000.

Trust Company Did Well

Although the report of the subsidiary company, The Canada Permanent Trust Co., is not included in the printed statement, that company is understood to have had a satisfactory year. Assets increased from $29,995,117 to about $32,000,000. More than $29,000,000 of this was assets under administration as estates, trusts and agencies, a growth of nearly $1,900,000 in the year. Both the guaranteed trust account and the capital account show increases. Profits were approximately on the level of the previous year and the dividend of six per cent was maintained.

National Trust Makes Executive Appointments

The National Trust Co. announces that Terence Sheard has been appointed assistant manager of the Montreal office of the company and that Geoffrey S. O'Brian has joined the staff as an estates officer.

For the past five years Mr. Sheard has been an estates officer for National Trust Co. at the Toronto office.

Call Special Meeting of Nickel Shareholders

Shareholders of International Nickel Co. of Canada are advised that a special general meeting of the company will be held in Toronto, on March 28, 1933, following the annual general meeting of the company.

No mention is made of the purpose of the meeting but it is said notice will be forwarded shareholders about February 1, giving all particulars.

CONSTRUCTION COMPANIES FACED WITH LEAN YEAR

(Continued from page 1)

funds available for building loans, and the result is that borrowers find difficulty in financing their needs at a reasonable rate, if they can obtain the money at all.

In this connection it is interesting to note that some signs of improvement have been seen in the Toronto area. More confidence has been apparent in well-secured mortgages, which may be taken as an indication that building loans are tending to become a more popular medium for the investment of funds. For the most part of 1932 there was an absolute lack of first mortgage money in any appreciable volume.

Large Developments Important

While any betterment in smaller types of building jobs would give a certain outlet to building products, it is to major construction works that the public must look for a real stimulus to earnings of companies affected by building conditions. Here the outlook cannot be considered impressive.

Engineering and business construction have been the two greatest factors in building activity in recent years, in fact the total of engineering contracts awarded in 1931 was greater than the value of all construction awarded in 1932. A survey of this field shows little hope for any major developments during the next year. In the first place, few plant extensions can be anticipated since, for the most part, plants are operating at far below capacity. Erection of large office buildings cannot be looked for as many of the larger properties are not nearly fully rented, while governmental expenditures on bridges, roads, dredging and other major works will be cut to a minimum in accordance with policies of economy.

Financing Virtually Impossible

In addition to this there is the impossibility of financing building work of any appreciable proportions through public borrowings. In more prosperous times when money is easy, companies have no difficulty in raising funds through the issuance of securities; moneys so obtained are spent on construction. Today it is virtually impossible for a company to borrow in this manner; even an impossibly high interest rate would hardly attract public funds if confidence in general business is lacking.

It will be seen, therefore, that an upswing in building must await first a need for construction work and then a loosening up of funds available for building or corporate purposes. Two sources which have played a large part in building values in recent years, namely hydro-electric projects and newsprint mills, are not likely to figure in building reports for some years, at least not in appreciable volume. Other outlets of building activity will have to wait until industry as a whole gets back on its feet, corporate earnings improve and confidence is renewed. In other words, construction must wait for a business recovery rather than precede it.

Outlook For Steel Companies

From the foregoing it will be seen that what may be termed the "heavy division" of the building industry will probably have to mark time for the longest period. Dominion Bridge Co. and other structural steel manufacturers can find few markets for their output until there is a sustained business revival for, to a great extent, these companies are dependent on construction involving substantial expenditures. Bridges, steel work for industrial plants and sky-scrapers, much work of this nature will be delayed for a considerable period; when a boom does come these companies generally share largely in the activity generated.

Canada Cement Co. is another which secures a generous share of business accruing from building activity. Its profits in recent years have reflected its position as producer of around 80 per cent of Canada's cement but in its last fiscal year earnings, which dropped sharply, also showed how vulnerable the company is to fluctuations in building.

Following are some of the leading companies which may be classed in the heavy division of the construction industry:

Canada Cement Co.; Dominion Bridge Co.; Standard Steel Construction Co.; Dominion Foundries and Steel Ltd.; Sarnia Bridge Co.; Hamilton Bridge Co.; MacKinnon Steel Corp.; Disher Steel Construction Co.; Foundation Co. of Canada; Geo. A. Fuller Co. of Canada; Canadian Vickers; Dufferin Paving and Crushed Stone Ltd.; Canadian Dredge and Dock Co.; Standard Paving and Materials Co.; Consolidated Oka Sand and Gravel Co.; Page-Hersey Tubes Ltd.; Robert Mitchell Co.; Canada Paving and Supply Co.; Western Steel Products; Laprairie Co., Inc.

Some Serve Wider Field

In contrast to these there are the companies which serve a wider field in construction. Manufacturers of paint, hardware, fixtures, roofing and similar products might be expected to be among the first to share in renewed constructional activity. There is a growing total of deferred maintenance work which continues to mount steadily; companies in the "light division" should find a market for their products when corporations and individuals find themselves in a position to renew the condition of their properties. Such might be included among the following; the list also contains companies affected indirectly by construction work:

Sherwin-Williams Co. of Canada; Brandram-Henderson Ltd.; International Paints Ltd.; Gypsum, Lime, and Alabastine, Canada; Building Products, Ltd.; Enamel and Heating Products; General Steel Wares; Steel Co. of Canada; Brantford Roofing Co.; Amalgamated Electric Corp.

Immediate Future Gloomy

Close observers of the building trades are not hopeful of the immediate future. They point out that construction will take some time to gain momentum after a revival in general business takes place and as yet there has been no definite upturn in business conditions. Managements of well-established companies in the construction field are careful to place aside substantial reserves in times of prosperity, reserves on which they may draw during the period of idleness which inevitably follows conditions which preceded the crash of 1929.

Given renewed confidence, easier money and improved business, construction will once again forge ahead bringing in its wake activity for the many companies interested by conditions in that field. But the organizations which are able to wait until that time will be those which have consolidated their position in happier years; others may be forced to undergo a process of deflation to enable them to hold on through the present lean period.

Willys Commands Attention

One of the most radically changed automobiles appearing this year is the Willys 77. The coupe shown above gives an idea of the front end treatment and streamlining of this new line of models.

Canada to Gain Chrysler Exports From U.S. Plant

Chrysler Corp. of Canada may get as much as 40 per cent of the total export business of the United States company in 1933 on the basis of an arrangement just concluded, The Financial Post is informed. The possible extent of this business is indicated by the fact that Chrysler was responsible for some 40 per cent of all United States automobile exports in 1932, compared with 16 per cent in 1931. Latest figures indicate that the United States company is exporting more cars than any other manufacturer at present.

It is understood that this switching of a large volume of business for export from Canada instead of from the United States is a result of Imperial Conference agreements regarding automobiles. Preferential import duties in Empire countries make it advantageous to ship from Canada cars which are destined for points in the British Empire, rather than from the United States. This change bears out the report of this possibility carried in The Financial Post last week.

Gain in Tax Collections in Most Fiscal Districts

Dominion income tax collections for the 9 months ended December, 1932, have increased by $2,740,650, or 5 per cent, over collections in the same period of the 1931-32 fiscal year, according to figures published in the National Revenue Review. The three largest districts, Montreal, Toronto and Ottawa, are chiefly responsible for the good showing, collections in Ottawa being increased by nearly 55 per cent.

Hamilton, Calgary and London districts are farthest behind last year's collections with losses of $588,000, $299,000 and $174,000 respectively. The following table shows collections by districts compared with the previous year:

Income Tax Collections
(9 Months Ended December)

Districts	1931-32 $	1932-33 $	Decrease or Increase $
Charlottet'n	32,395	79,070	+ 46,674
Halifax	735,817	835,684	+ 99,867
St. John	487,528	555,710	+ 68,182
Quebec	902,289	935,451	+ 33,162
Montreal	17,404,767	18,849,576	+1,444,808
Ottawa	2,599,766	4,022,084	+1,422,318
Kingston	133,028	125,311	— 7,717
Belleville	284,141	361,162	+ 77,022
Toronto	15,400,580	15,989,118	+ 588,538
Hamilton	4,587,837	3,999,413	— 588,425
London	4,757,361	4,583,696	— 173,665
Ft. William	165,779	152,121	— 13,658
Winnipeg	1,968,916	1,968,704	— 212
Regina	160,851	185,088	+ 24,236
Saskatoon	183,958	133,250	— 50,707
Calgary	1,165,585	866,983	— 298,602
Edmonton	372,568	374,244	+ 1,676
Vancouver	3,655,515	3,720,546	+ 65,031
Yukon	9,119	11,241	+ 2,122
Total	55,007,804	57,748,454	+2,740,650

B. C. Mills Ask Ban on Soviet Dumping

From Our Own Correspondent

VANCOUVER. — Premier Tolmie is now in Ottawa to attend the premiers' conference, but he has considerable work to do outside the conference.

One of the items on his itinerary concerns the exportation of British Columbia lumber to the United Kingdom. Before leaving the coast he conferred with representatives of the industry and was told frankly that unless Article 21 is invoked and competition of Russian lumber is checked, there will be small advantage for the British Columbia mills from the agreements signed at the Empire conference.

Invest in Yourself

"Listen to me, Bill. No money investment you can make is so important to you as an investment in yourself."

YOU can make a wise investment in 1933—whether or not you have money to invest. It is one which should bring rich returns, added health and comfort and, more than likely, extra dollars.

Invest in yourself.

A complete physical examination—a thorough health audit—costs but little in time and money. An investment in yourself should be the foremost investment you make in 1933.

If you are mentally and physically fit, you will be ready to take advantage of your opportunities in 1933 and the years to follow. If you are sick or run-down, you will find it very difficult to think clearly and to decide wisely. If your doctor should find something wrong which can be corrected, you can profit by the timely warning.

If, however, he reports you to be in good physical condition, you will be glad to know it. It will be a tonic to your spirits and give you added confidence in yourself. You will tackle your problems with keener interest and greater capacity.

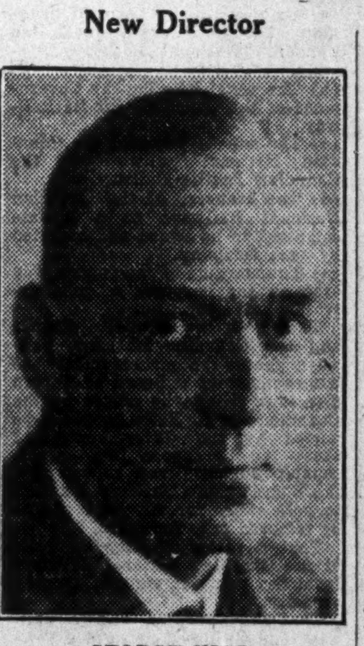
After you have done everything you can do to become fit—keep fit so that your dividends from health will be uninterrupted. Send for the Metropolitan booklet, "Health, Happiness and Long Life", which tells simply and clearly the fundamental rules of intelligent living habits.

It discusses such subjects as Sleep, Fresh Air, Rest, Sunlight, Exercise, Posture, Cleanliness, Water, Food, Comfortable Clothing, Work, Play and Good Mental Habits. Your copy will be mailed free. Address Booklet Dept. 1F-33.

METROPOLITAN LIFE INSURANCE COMPANY
Frederick H. Ecker, President
CANADIAN HEAD OFFICE . . . OTTAWA

SERVING CANADA SINCE 1872

New Director



GEORGE KIDD

Elected to the board of directors of the Bank of Toronto. He is a director of the B. C. Power Corporation, B. C. Packers Ltd., B. C. Pulp & Paper Co. Ltd. and was the chairman of the committee appointed by the Provincial Government in 1932 to investigate the finances of British Columbia.

Canadian Kirkland Mines Arranges New Financing

Officials of Canadian Kirkland Mines announce that arrangements have been made with Canadian interests to option treasury shares and provide funds for the treasury that development work may be resumed at the company's property, consisting of six claims in Teck township southwest of the producing section at Kirkland Lake Ont.

Previous work involved sinking three shafts on the property, one to a depth of 450 ft. About 1,000,000 shares remain in the company's treasury to finance the new programme. The only debts of importance outstanding according to officials, are those representing current accounts and carrying charges

Commerce Bank Showed Increase Savings Deposits

An increase of $2,242,022 in savings deposits was shown by the Canadian Bank of Commerce for its fiscal year which ended Nov. 30, 1932. This amounts to .6 of one per cent and, although seemingly small, is the only increase in either interest-bearing or non-interest bearing deposits shown in bank statements, issued to date, covering 1932 operations.

The bank's operations for the 1932 period showed the dividends paid, of $11.00 a share, earned by a substantial margin. Earnings before and after write-offs for depreciation and taxes were $14.26 and $11.93 respectively. However a slight reduction in profit surplus was shown after deducting appropriations for pension fund and donations. This reduction amounted to $16,183 and left surplus carried forward at $519,500.

Reductions were shown in current loans abroad and in Canada. The decline in Canadian current loans was $21,642,552, from $252,720,150 to $231,077,598 and that for current loans and discounts abroad was $4,408,485, from $20,244,793 to $15,836,308. The total decrease in current loans and discounts thus amounted to $26,051,037. Although total assets were lower, liquid assets of the bank improved from 56.4 to 58.5 per cent of its liabilities to the public.

Nfld. Seeks to Regain Lost Codfish Markets

In an attempt to regain some of the markets lost to foreign competitors, Newfoundland has sent two experienced fishermen, Captain Augustus Oldfield and Captain John Blackmore, to study the markets and methods of competitors for catching and curing fish.

These fishermen will be accompanied on an extended tour by Hon. D. J. Davies, Newfoundland's High Commissioner in London, who will act as scientific adviser. The party will first visit Mediterranean ports where Newfoundland fish once found a ready market and will later visit competitors in Norway and Iceland.

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
61 Years in Business
Capital $2,000,000—Reserve Fund $3,200,000.
Make Mortgage Loans on Owners' Homes at reasonable rates of interest.
ARCHIBALD McPHERSON, President. T. H. MAIN, Manager.

In 1932 The
Confederation Life
Association

Maintaining its strong financial position and meeting every obligation fully and promptly when due

PAID TO POLICYHOLDERS and BENEFICIARIES
$12,517,960
An increase of $2,532,080 over the amount so paid in 1931 and $3,867,052 more than in 1930.

DIVIDENDS TO POLICYHOLDERS IN 1932
$2,151,042

PAID TO POLICYHOLDERS and BENEFICIARIES
Since 1871
$107,098,474

To Living Policyholders $69,712,352
To Beneficiaries of Policyholders $37,386,122

In 1932 satisfied Policyholders of the Confederation Life Association, resident in Canada, applied for additional insurance, and were accepted, to an amount equal to 42% of the Company's total Canadian business for the year.

New Insurance in 1932 $43,464,515
Total Insurance In Force $374,071,320

Total Net Income for the Year $21,089,314
Increase of $1,024,924
Excess of Receipts over Expenditures $5,302,645

TOTAL ASSETS
As at 31st December, 1932
$92,232,305
An Increase for the year of $3,742,056, after re-valuation of all invested Assets at less than the values authorized by the Insurance Department of Canada.

Surplus Earned During the Year $3,456,786
Total Surplus As at 31st December, 1932 $8,171,805

THE HIGH GRADE OF THE SECURITIES
In which the Funds of the Association are invested, as at 31st December, 1932, is shown in the following schedule:

PERCENTAGE OF TOTAL INVESTED ASSETS

Bonds and Debentures:		Policy Loans— Ordinary Premiums	17.01%
Government and Municipal	34.35%	Policy Loans— Single Premiums	4.78%
Other	18.24%	Real Estate	4.29%
Mortgages:		Common Stocks	2.28%
City and Town	14.30%	Preferred Stocks	1.51%
Farm	2.14%	Sundries	1.10%
			100.00%

Confederation Life
Head Office Association Toronto

C. S. Macdonald, President.
R. S. Waldie, Col. J. F. Michie, Vice-Presidents.
V. R. Smith, General Manager and Actuary.

SECURITY and STABILITY for SIXTY-ONE YEARS

Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

St. Lawrence Paper

Among my holdings are a few shares of St. Lawrence Paper Mills. Do you think there is any likelihood of this company coming back and would you advise selling the stock?

There has been no definite improvement in the newsprint industry, and executives are still trying to find some solution to the problems they face. Indications are that there will be further scaling down in capital structure, though no announcement has yet been made of future plans of Canadian operators. Outlook for St. Lawrence Paper Mills cannot be considered impressive in the light of existing conditions, but there would not seem to be much advantage in selling this stock at present levels.

Shawinigan

Have you any information on earnings of Shawinigan Water and Power Co. during the past year? Any other information you may have on this company will be appreciated.

Estimates of earnings of Shawinigan Water and Power Co. place common share profits at $1.03 in 1932. The company has felt the effects of lessened industrial activity, while unsettlement in the newsprint industry, with which it has substantial contracts, has made for difficulties. Shawinigan, however, has been active in installing electric boilers in some of the newsprint mills, which has proved a good outlet for power.

Building Products

As a reader of The Financial Post, I would be much obliged if you would give me some information on prospects of Building Products, Ltd. I hold some of these shares, and am concerned as to the future of the company.

Progress of Building Products Ltd. is closely allied with that of construction activity, a situation which has found reflection in the company's earnings in 1932. Dividends, as you know, have been reduced and revenue is likely to be restricted until some improvement is apparent in the building trade. On the other hand, the company has done well in the past and its last balance sheet showed a satisfactory financial position. It has no funded debt and the common shares are the only securities outstanding. Possibility of further reduction in dividends must be admitted, though long-term outlook is not discouraging.

Canada Cement

Would appreciate your opinion on the present position of Canada Cement Co. Do you see any signs of improvement in its position and will the company be able to resume dividends on the preferred stock?

Canada Cement Company is vulnerable to fluctuations in building activity and this has resulted in sharp declines in earnings. Improvement in the company's earning power depends upon an upswing in construction, which as yet, is not in evidence. Prospects for an early resumption of preferred dividends are not apparent.

Gatineau Power

Can you tell me when interest payments are due on the first mortgage bonds of Gatineau Power Co.? Also what contracts does this company hold with the Ontario Hydro?

Interest on the 5 per cent first mortgage bonds of Gatineau Power Co. is payable June and December 1. The Hydro-Electric Power Commission of Ontario has three contracts with the company. By the terms of the largest contract, which was for 30 years from October 1, 1928, the commission agreed to purchase a total of 130,000 h.p. by October, 1929, and a total of 260,000 h.p. by October, 1931. Under the terms of the second contract which runs for 40 years from October 1, 1928, the commission agreed to take annual increments of 6,000 h.p. until at least 60,000 h.p. are taken by October, 1937. An additional 40,000 h.p. is reserved for the commission as, and if, needed during the first ten years of the contract. A third contract acquired from a predecessor company provides for delivery of 20,000 h.p. which is now being taken by the commission.

McColl-Frontenac

Please be good enough to tell me how many common shares there are issued of McColl-Frontenac Oil Co. Is the company making progress and will it be able to maintain dividends?

There are outstanding 500,000 shares of no par value common stock of McColl-Frontenac Oil Co. Our understanding is that earnings during the current fiscal year have been maintained and that common dividends have been earned. The company ranks among the largest organizations of this type in Canada, and has made progress in the past. Whether or not dividends will be maintained is a question only known to the management.

Steel of Canada

I am anxious to have any up to date information on Steel Co. of Canada. Has it been experiencing a good volume of business and earnings likely to be higher for 1932?

Activities of the steel industry have been far below capacity during the past year. Earnings of Steel Co. of Canada for 1932 are expected to show a decline from 1931. Though prospects for an early improvement are not yet to be seen the most encouraging factor in the company's outlook is its strong financial position, which has been built up over a long period of years. Dividends, as you know, have been maintained both on the preferred and common stock, at regular rates, though it is unlikely they have been earned in 1932.

Canadian Hydro

Kindly let me have your views on the outlook for the preferred stock of Canadian Hydro-Electric. I bought some shares in this company and paid prices well above present market levels.

Canadian Hydro-Electric Corp. has made gains in 1932 and figures for the first nine months show preferred dividends covered. There is uncertainty regarding this stock, however, due to the fact that the company's revenue is derived from its holdings in Gatineau Power Co. The latter has made progress to date but in viewing the future consideration should be given to power contracts held with newsprint companies. Gatineau Power supplies New Brunswick International Paper, and Canadian International Paper with power, and serious difficulties encountered by newsprint manufacturers might result in difficulties for the newsprint companies served by Gatineau. In this event, earnings of Canadian Hydro-Electric would be affected; the low price of the preferred stock indicates the uncertainty in this respect.

Mount Royal Hotel

I hold some of the preferred shares of the Mount Royal Hotel Co. and would appreciate any information as to the current position of the company.

Mount Royal Hotel Company is having a hard time making both ends meet. The hotel is being operated at half its capacity, and by dint of strict operating economies, it is expected that bond interest will be earned in 1932, but there will be nothing available for the preferred stock. Despite past reorganizations, capital structure is still heavy. The hotel was built at a time of peak prices involving a large capital outlay and indications are that a revision of the capital structure will be undertaken to bring it more in line with earning power.

Canadian Marconi

As a reader of The Financial Post I would like to have your opinion on the stock of Canadian Marconi Co. Has the company done well in the past?

Earnings of Canadian Marconi Co. in recent years have not been impressive. In 1931 net earnings were $136,078, but after provision for depreciation there was a deficit of $98,651. Gross receipts from traffic have fallen off and profits from the company's radio division have been restricted by narrow profit margins obtaining in the industry. Common shares have failed to record an appreciable earning power; the best showing made in recent years was in 1928 when the common earned 3¾ cents a share. Prospects for an early improvement in the company's affairs are not yet apparent.

Calgary Power

I have been a reader of your paper for several years and would like to take advantage of your inquiry service by asking for information on Calgary Power, in which company I am financially interested.

Our understanding is that Calgary Power has made satisfactory progress in the last year, and earnings are expected to cover preferred dividend requirements. The company has been active in extending its rural distribution system, a factor which has been responsible in part for its ability to offset declines in its industrial load. The company is the leading utility in Alberta, and, through subsidiaries, is now active in Saskatchewan. It also has a controlling interest in Ottawa Valley Power Co.

Consumers' Finance

Are the 5 per cent instalment savings certificate issued by Consumers Finance Ltd., 51 Sparks St., Ottawa, a safe investment? Who are the directors of this company and what is the company's financial position?

Consumers Finance Ltd. is a comparatively small company which was incorporated under Dominion laws in February, 1927. The company discounts paper on furniture, oil burner, radio, washing machines, and automobile sales.

No information on this company has been received since June, 1931, when The Financial Post received a complete account of the company's operations together with the balance sheet and revenue and expenditure account for the year ended March 31, 1931. At that time the company had total assets of some $84,279 exclusive of goodwill which was valued at $2,500 and appeared to be in sound financial condition. The officers of the company at that time were well regarded and included R. G. Stephens, president, who is connected with the Metropolitan Life Insurance Co., Edwin Clark, vice-president, J. A. Trevier, vice-president and E. P. Little, secretary-treasurer.

Irrespective of the company's financial position, an investor considering the purchase of an installment savings certificate of the type you mention should consider his own ability to maintain periodic payments over at least the greater part of the contract period. It is true that if the investor finds it necessary to discontinue his payments after a short time the investment will prove unsatisfactory. To secure full advantages of such a savings plan, it is necessary to continue payments to maturity of the contract.

Toronto Suburban Rlwy.

What is the present market price, if any, of the 4½ per cent debenture stock of Toronto Suburban Railway Co.?

There is no market for the 4½ per cent debenture stock of Toronto Suburban Railways which is now in receivership but which was formerly operated by the Canadian National Electric Railways. W. A. Walker was appointed receiver for the property in August, 1931, and it is stated that the property of the railway has been kept in good shape, pending sale.

It is improbable that very much can be realized upon the assets of the company but the British Empire Trust Co., Canadian Bank of Commerce Building, Toronto, acting as trustee for the debenture stock holders, has some cash on hand that may permit a very small payment to debenture stock holders at some future date.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Premier Gold Mining Co.

As I have been advised by two different parties to invest in Premier Gold Mining Co. I would deem it a favor if you advised me on the matter. What amount of ore is in sight? Also are there any new developments taking place at the present time? About how many years do you consider the mine could continue at the present rate of production?

Premier Gold Mining Company operates the largest gold producing property in British Columbia but operations are being further curtailed each year, owing to the depletion of the known ore bodies. The estimated ore reserves have been steadily declining both as to tonnage and grade in the last few years, and a year ago they were estimated at 215,875 tons, having a gross value of $7.80 per ton, which is only about sufficient for the 1932 output. The main ore shoot is considered as having bottomed slightly above the fifth level, but a few shoots of profitable grade ore persist down to the eastern end of the sixth level, according to official report. Like all good mines, Premier is dying hard and although it has been reporting only about enough ore for a year's operations, the developments during each succeeding year seem to have provided more ore than anticipated. How long this can keep up we are unable to say.

The company is strongly financed and enjoys excellent management, being controlled by American Smelting & Refining Co., a large producer in the United States. It has been active in acquiring other properties to perpetuate its mining existence—mostly silver properties, which at the present time are not in operation. A couple of years ago it acquired the old Tough-Oakes-Burnside gold property at Kirkland Lake and rehabilitated it. Production started in August this year. This old property is giving a good account of itself. The low price of Premier shares is reflecting its nearing depletion but a speculative interest is added to the shares owing to its numerous properties and subsidiaries under development.

Barry Hollinger

I would like to have your opinion on the financial position of Barry Hollinger Mines. What are the chances for appreciation on these shares? Would you consider this a good purchase?

Barry-Hollinger Mines has been making a strong effort to develop a profitable property at Boston Creek, Ontario. To-date only one profitable ore shoot has been found and worked. The method of mining employed and the cost involved have precluded a profit. The company recently arranged financing with a New York group and the first payment has been made. The object of this financing is to conduct a development programme in the hope of locating other ore bodies. In the past the lack of funds for development work has been retarding the company. What the future holds in store only further development work will tell. The chances are that the mine will close down early this year that work may be concentrated on development. The intrinsic value of the shares will depend on the success met with in development. The company enjoys good management and has a responsible directorate working in the interest of the shareholders.

Howey Gold Mines

I have been following the progress of Howey Gold Mines and notice that they have paid off a loan of over $428,000 in 1932. Would you please outline for me the physical condition of the mine? From the above showing it would appear that Howey now falls in the preferred class so far as a mining investment is concerned. What are the possibilities of Howey paying a 10 or 12 per cent dividend next year?

The Howey Gold Mines cannot yet be considered in the preferred gold mining class. It is a property that has made a great showing against odds and the management has shown great skill in being able to eke out a profit that enabled it to pay off the debt. The grade of ore is low but the cost of operation is the lowest in Canada. The future of the company depends on its being able to continue to provide ore of a commercial grade. No statement has been made as to the ore probabilities but extensive development work is in hand and indications are that the ore position is satisfactory. The company has a problem on its hands, but it enjoys excellent management and the progress made in the last eighteen months is somewhat of a guide for the future. It has no back-log by way of cash at the present time to tide it over unforeseen periods of adversity, and whether or not a dividend will be paid this year is not certain. The president stated that he hoped to pay one the latter end of 1932, but this will depend on developments arising during 1933.

Chromium Alloy Co.

We are enclosing herewith a circular re Metal & Mining Shares, Inc., offering to exchange shares in this company for those in Chromium Alloy Co. on the basis of one common Metal & Mining share plus $2 for two shares of Chromium Alloy Co. We would appreciate you advising us if you have any information in this connection.

The offer made by Widmann & Co., of New York, to exchange shares in Metal & Mining Shares, Inc., for those of the Chromium Alloy Co. Ltd., is an age-old practice known as re-loading. The Metal & Mining Shares, Inc., is a holding company dealing in mining shares. It was in bankruptcy in 1930.

It is quite evident that Widmann & Co. are endeavoring to finance the Chromium Alloy Co. to succeed the Consolidated Chromium Corp. that also went into bankruptcy in 1931. This was one of Charles V. Bobs promotions. It held a chromium prospect in the Obonga Lake area in the Patricia district, but the geologists and engineers of the Ontario Department of Mines do not paint such a rosy picture for the property as Widmann & Co. do. According to the government engineers there is a serpentinized zone approximately three quarters of a mile wide and about 3½ miles in length, but this is far from being a deposit of chromite. Small irregular lenses of chromite are known to occur in this body assaying about 30 per cent CR_2O_3. Also the serpentines carry finely disseminated values in CR_2O_3. A shaft has been sunk to 300 feet and about 500 ft. of cross-cutting and 100 ft. of drifting done, and although the government engineers inspected the property just before it closed down in October, 1930, not by any strength of the imagination could it be considered a commercial deposit with the knowledge presently at hand, even if it were close to transportation. The reference of Widmann & Co. to a mill must be considered as so much eye-wash to attract the investor.

Audit Responsibility Urged in 1932 Statements

Important to Shareholders to Have Best Practice of Chartered Accountants Followed By Auditors—Obsolescence Should Be Studied

Now that financial statements for 1932 of the leading Canadian companies will be received in increasing numbers from week to week by shareholders, it is pertinent to insist strongly on the responsibility of auditors to see that these statements give shareholders a clear and comprehensive picture of the states of their various enterprises. Several times during 1932 judges commented in no complimentary terms on derelictions of duty in this respect and every failure of this kind weakens confidence in the checks and balances of the present order.

The auditors are chosen by the shareholders at each annual meeting theoretically to see that the interests of the owners are adequately looked after. As a matter of realistic fact, however, the directors generally act for the shareholders in selecting some reputable firm whose name is presented to shareholders for their acceptance at the annual meeting. Occasionally, where the management has a strong influence with the directorate, the auditor's name which goes before shareholders represents managerial rather than shareholding interest.

Some Audits Were Lax

It is probably hard to avoid some sort of selection of this kind being made in advance of annual meetings as the choice of auditor is obviously not a matter for hasty decision in the course of a meeting. So long as the highest ethical standards of associations of chartered accountants and auditors are lived up to, and so long as the auditor chosen realizes that his duty primarily is not to the management or to the directorate but to the great body of shareholders, this is well enough. Cases which came before the court in 1932, however, made it apparent that representatives of some auditing firms chosen for positions of this kind did not take their duties as seriously as most shareholders feel they should. They accepted too credulously too many statements of company officers and placed their certificates of correctness on statements which further enquiry would have shown to be wrong.

Some Points to Cover

Obviously shareholders have a right to expect that auditors will see to it: that reports on earnings both gross and net are correct; that expenditures charged against these earnings are legitimate expenditures and that due caution and intelligence have been used to see that expenses have not been more than normal; that increasing difficulties in collection or in the prospects of collection or receivables are noted; that the various assets shown shall be checked to ascertain their correctness both as to kind and value; and that explanatory notes shall state any potential liabilities through guarantees of notes, accounts or dividends. Not only should the auditor make sure that the statement gives a proper picture of the actual results of the business during the year under review, of the actual state of current assets and current liabilities at the end of the time and of any potential assets or potential liabilities, but it is obviously to the interests of shareholders to get some idea in these days of sinking values as to whether inventory values have been sufficiently depreciated and even as to whether fixed assets should not have been considerably dropped in valuation.

In most financial statements of Canadian companies during the past, it has been the custom of auditors to state that inventory values as shown are correct, "as measured by statements of officers of the company in answer to questions." In the case of 1932 statements it would be better for shareholders if more extensive investigation was given.

Should Study Depreciation

To decide the proper depreciation of current loans and of inventories is a matter of great importance at the present time. Shareholders should be told how seriously current plant depreciation charges affected net earnings during 1932. They should know what the policy of their corporation is with respect to devaluation of plant accounts, and it would be still better if executives took the opportunity to state what had been done in this respect over a term of years. It would surprise shareholders of many companies if they were to give balance sheets more than cursory attention and find out what relation the present net book value of plant bears to the first cost of the fixed assets shown.

Rate of Obsolescence Grows

It is admitted that investment in plant is probably the most hazardous operation of most companies. The increasing rate of development of new and improved machinery for nearly every industrial process has made both the creation of buildings and the installment of machinery increasingly hazardous. These changes are made in competitive markets in order to secure reduction in cost of products, but installation is made with the prospect that within a year or so there may be better machines that render those recently purchased entirely obsolete. With regard to much machinery the question of depreciation has passed out of the picture and obsolescence has taken its place. Some corporations even go so far as to write-off new plant within a year so as to provide for the necessity of scrapping if better plant comes in sight. There is danger even in the construction of factories as changes in layout and machinery may make one type less available for changed methods.

How important the subject of obsolescence has become in the United States is well shown in a study by W. A. Layman in the Annalist of December 30, 1932. He states that during 1930 General Electric Co. dismantled, sold or otherwise disposed of plant whose first cost was $24,795,567 and in 1931 a total of $8,774,404. Sale of obsolete plant in 1931 brought in only 6½ per cent of the facilities abandoned. Since its organization in 1892, the General Electric Co. has invested in plant the gross sum of $336,825,471, 27 per cent more than its entire present gross capital invested in its own operations.

Forty-one per cent of this total cost has been sold, dismantled or abandoned and the remaining $199,000,000 has been written down to a net book value after reserves of $46,289,467, or but 13⅛ per cent of the plant investments over a period of 40 years. This may be ultra conservative devaluation, but it illustrates what a company with highly intelligent direction regards as necessary.

Special Treatment Required

Obviously plant acquired during the period of active business from 1925 to 1930 at high cost will have to be written down appreciably. The same thing is true of valuations of properties taken over in case of mergers. The question of obsolescence should be given special treatment in annual statements by executives. It is obviously to the ultimate benefit of the stockholder in Canadian industries to have the book value of the company's investments written down. What helps the company will help him eventually. Credit standing is improved by low plant values and the competitive position is enhanced. Lower depreciation charges are needed later.

It has been the custom of many companies to state in their financial statements their earnings after depreciation. This is hardly fair to the shareholders who should know what is written off in this respect from year to year. If not enough has been written off he may have been living in a fool's paradise.

It is neither here nor there whether a property has low book values or high when it comes to sell them. Any buyer would insist on his own appraisal. Earning capacity is the measure and a company whose depreciation allowances have been ample would have the better opportunity for getting a good sale.

Canadian Securities

Dominion of Canada
Dominion Guaranteed
Provincial Government
and Municipal Bonds

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

GEORGE F. HARDY
Consulting Engineer
305-309 Broadway, New York City, N.Y.
Member
Amer. Soc. C.E. Amer. Soc. M.E. Eng. Inst. Can.
Consultation, Reports, Valuations, Estimates
Paper and Pulp Mills, Hydro-Electric and Steam Power Plants, Plans and Specifications

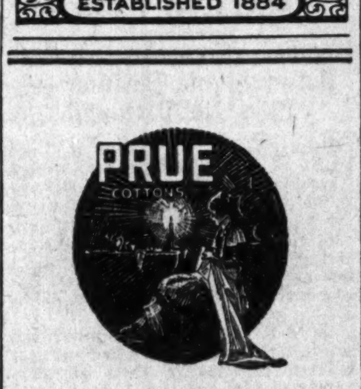
Secure Sufficient Yield From Your Investments

Many people who are dependent upon income from investments cannot afford less than a certain average yield on their investments. They can still less afford to lower the safety of their principal. As a solution of this problem we suggest that you consult us.

No obligation will be incurred and we will arrange your investments to secure the maximum return consistent with safety.

H. R. BAIN & CO.
LIMITED
Investment Bankers
350 Bay Street - Toronto

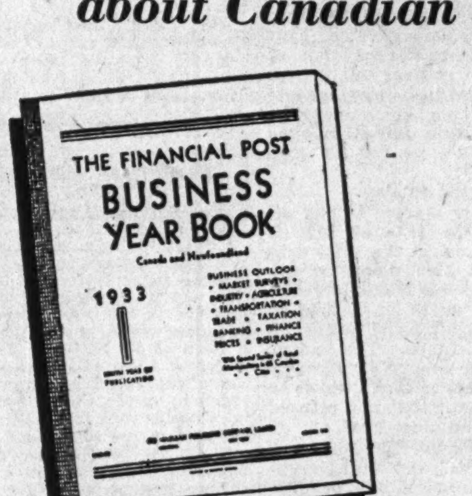
4%
paid on deposits—
subject to withdrawal
by cheque.
CENTRAL CANADA
LOAN AND SAVINGS COMPANY
KING AND VICTORIA STS., TORONTO
23 SIMCOE ST. N., OSHAWA
ESTABLISHED 1884



Manufacturers of
INDUSTRIAL
and
HOUSEHOLD
Cottons
in Canada
for over
TWENTY-FIVE YEARS

DOMINION TEXTILE
Company Limited
MONTREAL
TORONTO
WINNIPEG
VANCOUVER

Full of Facts, Data and Information about Canadian Business Activities



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THE FINANCIAL POST
BUSINESS YEAR BOOK
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Bank Chat on Current Topics

High Class Loans "Easy" in Canada

Braille Cheque Honored

Canada's View of Gold Standard Followed by South Africa

"Easy" Money

TWO entirely different constructions are placed on the term, "easy money," as every banker knows. The first point of view is that of the banker who considers money easy when there is a substantial quantity available for high-class, fully secured commercial loans and for investment in superior, interest-bearing securities. The second is that of the "man in the street," to whom money is easy when people of indifferent credit can borrow it. Money certainly is not easy in Canada in the latter sense.

From the banker's viewpoint, money is now somewhat easier due to the recent issue of $35,000,000 in Dominion notes to the banks under the Finance Act. Bankers would not call it easy in the sense that there is plenty of money available for investment in good securities. That this is not the case is shown by the high bond yields prevailing, except on gilt-edged Canadian securities such as those of some of the provinces, municipalities and the Dominion Government.

* * *

HOWEVER, in spite of the trend toward greater bank liquidity which prevailed in 1932, bankers realize that the earning power of their branches depends in large measure on good commercial and industrial loans. For such advances there is money available in large quantities as is shown in bank statements issued recently and in the return of chartered banks to the Department of Finance, Ottawa. Because they have not been able to lend as large a proportion of their available funds in business loans as would be desirable to increase their earnings, Canadian banks have amassed a record total of Government bonds. This type of loan is not profitable, but it keeps funds employed, pending a greater demand for money from commerce. In the sense that these funds will be lent for commercial purposes, when possible, money is easy in Canada.

Branch managers are not looking for the type of borrower mentioned above, as having indifferent credit, but in most cases would welcome the opportunity to lend to first-class commercial risks some of the funds that banks are at present holding in Government bonds. In fact head office officials of banks and officials of the Dominion Government have clearly indicated that they would be glad to see a demand for good loans from industry. Such a trend would probably indicate that trade conditions were on the mend.

* * *

A Braille Cheque

IT WAS recently reported that a bank in the United States had accepted a cheque made of iron and endorsed with machine gun bullets. Now a report is published that the first cheque written in "braille," raised type by a blind man has been honored by a New York bank.

In making their decision as to the legality of this document, the bank officials held that it was "in writing signed by the maker" and therefore was legal.

* * *

South Africa and Gold

CANADIAN bankers are generally familiar with the meaning of the gold standard, that the metal must be freely available in exchange for notes, without export restrictions, and were rather amused at the Government's explanation that this country was "on the gold standard" after payment of gold in exchange for notes had been abandoned and exports of the precious metal prohibited. The Government's meaning apparently was that our Dominion currency issues were still being based on holdings of gold.

That Canada is not the only country in which a misunderstanding of the meaning of the gold standard has caused odd reports to be issued is shown by a recent dispatch from Capetown reporting the monetary policy of the Union of South Africa which stated: "Prohibition of the export of gold from the Union of South Africa and the announced adherence to the gold standard by the National Government was the outstanding outcome of today's special meeting of the cabinet under Premier J. B. M. Hertzog."

Since this peculiar report, Government officials of the Union of South Africa have acknowledged that the country is not now on the gold standard. The fact was realized more quickly in that country than in Canada.

Staff Changes

Regina branch of the Bank of Montreal has just celebrated its fiftieth birthday. The bank established a branch in Regina almost simultaneously with the building of the C. P. R. to the city. G. M. HARMAN, manager of the Regina branch, points out that the branch was the first chartered bank to be established BONNALLIE who has been granted Winnipeg.

The Canadian Bank of Commerce announces the following changes in branches and staff:

FRANKLIN CENTRE, P.Q., subagency to the Ormston, P.Q., branch, was closed as at Jan. 1, 1933.

PORT DOVER, ONT., branch was closed as at Jan. 1, 1933.

PORT McNICOLL, ONT., branch will hereafter be operated as a subagency of the Victoria Harbor branch and will be open for business on Monday, Wednesday and Friday of each week.

VICTORIA HARBOR, ONT., branch is now open for business on Tuesday, Thursday and Saturday of each week.

A. C. McCARTHY, formerly assistant inspector at head office, Toronto, to be assistant inspector at Halifax, N.S.

E. W. RHODES, formerly manager of the savings department at Vancouver, to be special representative in the superintendent's department at Vancouver, to succeed G. A. BONNALIE who has been granted leave of absence prior to his retirement on pension.

Current Events in Banking World

BANKER HELPS IN THRIFT PLAN FOR CUSTOMER

Incentive of Compulsion Creates Profitable Savings Fund

Most of us would like to save money.

Many of us feel the need of some definite incentive however before we are able to translate our hopes into action.

Here's a true story told to The Financial Post the other day which shows how one bank manager in a big city branch solves his customers' savings problems for them.

A customer of the bank decided to ask for an advance of $900 to aid him in financing his business and, as his affairs warranted the advance, the manager of the branch aranged the loan at once.

Was Good Loan

This perfectly good loan was carried along by the bank for the customer for a year and a half, during which time the borrower paid his interest regularly, but apparently was not able to pay off the loan. The banker finally had an interview with his customer and told him that he wanted the loan paid, and suggested that the customer start liquidating it at the rate of $100 a month. The banker knew his customer could do this by budgeting his affairs carefully.

The customer did not immediately see the necessity for this demand and was somewhat annoyed at the suggestion as he knew the loan was secured. But the banker told him that it would be sound business, in the client's interest as well as for the bank, and that when the loan was finally paid the customer would be grateful for the bank manager's suggestion. The borrower saw that the banker's point of view was reasonable, and finally agreed to pay off the loan in installments as suggested. This is a common form of repayment of bank loans, of course, and in this case merely had to be more or less thrust upon the customer who would not take the initiative, even though it would be for his own ultimate benefit.

Started to Pay

The customer started to pay off the loan at the rate of $100 a month, and reduced the total debt to $400. At this point he approached the banker and told him that for one month he wished to defer his payment, as he was somewhat short of funds. The banker recognized the danger of interfering with a habit of thrift which he himself had instigated, and refused to change the arrangement.

"Why not?" said the borrower, I've reduced the loan $500 by regular payments, and it will be difficult for me to make a payment this month. Next month I'll probably be able to start again on the payments."

"You made the agreement with me," said the banker, "and I expect you to stick to it."

There was seemingly no reason for not deferring the payment one month, but the manager recognized that his client's weakness was procrastination, and showed good judgment in keeping him to the letter of the agreement.

"Well, I think you're hard boiled in treating me like this, when you know the loan is perfectly safe," said the borrower, "but if you insist I'll get the $100."

Payments Continued

The upshot of ths conversation was that the payments were continued without interruption, and the regular thrift plan was not interrupted.

It was not long before the entire loan had been paid. After he had wiped off his obligation, the customer approached the banker and thanked him for his insistence on uninterrupted payment of the loan installments, and expressed his pleasure at being free of the debt. In this, he implied a confession that what he had required was some one like this banker to drive him into doing what was actually for his own good; a common human failing, even in those who may be perfectly good for their obligations.

At this point the banker used his head for the good of his bank and for the further good of his customer. Seeing that he had started a habit in the client which was worthy of continuance, the banker proposed a plan which would, to a certain extent, force the ex-borrower to continue his rigid control of personal expenses and would make the customer exert himself to accumulate a fund of savings.

The banker urged the customer to pay $150 into the bank the first month after the loan was cleared off, and offered to purchase a $500 bond with this money, making a loan on the security of the bond to finance the balance of the purchase price. Then he proposed that the customer continue his payment of monthly installments of $100 to the bank, until the bond was paid for in full. When this had been done, he would buy another $500 bond for the customer and the process would continue, but with the additional benefit to the customer of the interest earned on the owned bond.

The customer was so pleased with himself for having cleared away his first loan, that he fell in with the new plan at once. He saw that the interest on the bonds purchased, and on which he would owe a balance temporarily, would aid him in accumulating more savings in the form of additional bonds, and would take care of the interest cost of carrying loans on such purchases of securities.

The banker, while aiding his client in a practical and, in this case, a workable thrift plan, improved the position of his bank by collecting an unnecessary commercial loan and continued to earn an interest income for his institution by creating a new form of fully secured advance to his customer.

By this arrangement the bank could not lose on its loan, and the creation of an incentive for the customer to save, in the form of a debt to the bank, was highly beneficial to the debtor. After getting out their pencils and making some rough calculations, the banker and the customer decided that the latter could amass the tidy sum of approximately $7,000 in a five year thrift plan operated in this manner. This is an excellent example of the good that an astute banker can accomplish in his daily business dealings.

DECEMBER FIGURE DOMINION NOTES DROPS $7,700,000

Ratio of Gold to Notes Rose from 36.7 to 37% in December

A decrease of $7,699,936 in total Dominion notes outstanding and a decrease of $2,179,616 in gold held against Dominion notes were reported by the Minister of Finance at Dec. 31, 1932. The proportionate decline in total note issues being greater than that of gold holdings against notes, the ratio of gold holdings to notes rose from 36.7 to 37.0 per cent in December. The decline in gold holdings resulted in a drop in excess of the metal held over statutory requirements from $2,741,640 at Nov. 30 to $605,959 at Dec. 31, 1932.

The decrease in total notes outstanding was almost entirely accounted for by the drop of $7,656,000 in advances to banks under the Finance Act. This may indicate that banks have been repaying the Minister of Finance the advances which they had received prior to the special advances of $35,000,000 early in November, 1932. This would be the normal trend at the year end as the peak of the crop season is usually reached in November.

Changes in denominations of notes outstanding at Dec. 31 involved a decrease of $10,270,000 in legal tender notes for banks, representing chiefly the reduction of Finance Act advances. However, part of this decrease was accounted for by offsetting increases in notes of smaller denominations, which amounted to $2,570,064 in all.

Gold holdings of the Minister of Finance at Dec. 31, 1932, were as follows:

GOLD HELD BY THE MINISTER OF FINANCE AT DEC 31, 1932

Against Gov't. savings bank deposits (10% of $22,559,888)	$2,255,984
Against notes as required by Dominion Notes Act, 1927	70,182,470
In excess of statutory requirements	605,960
	73,044,414

ACADIA TRUST CO. HAS NEW QUARTERS

Starts New Year in Fine Head Office Building in Truro, N.S.

The Acadia Trust Company begins 1933 in its new premises known as the Acadia Trust Company Chambers, on the corner of Prince and Forrester Streets, Truro, N.S. With interior finish of walnut, indirect lighting and one of the finest burglar-proof vaults in Eastern Canada, the company has now one of the most modern office buildings in the Maritime Provinces.

Officials of the company are: president, Hon. Sen. John Stanfield; vice-president, A. R. Coffin; manager and director, Harold F. Bethel; asst.-sec., Preston J. Wilcox, and directors, F. L. Milner, K.C., C. B. Smith, K.C., H. M. Chase, K.C., John W. McLeod, Hon. E. M. McDonald, P.C., K.C., Hon. J. Fred Fraser and Dr. J. L. McIsaac, M.L.A.

The late Lieutenant-Governor, Frank Stanfield was a director of the company from its inception to the time of his death and did much in the early stages to build up this business.

Foreign Exchange

A HALT in the advance of Canadian dollars, which had been steadily rising for two months in the New York exchange market, was recorded in the week ended Jan. 16. The close at 87⅞ cents compared with a close of 88 13/16 on Jan. 9, and indicated a loss of almost one cent in the quotation. The advance in the premium on the United States dollar in Canada was from 12½ to 13½ per cent in the same period.

There has been slacker activity in Canadian dollars in the London exchange market since the peak of Canada's wheat export has been passed, and this factor may have been a primary one in affecting the trend of the New York rate. The strength contributed to Canadian dollars by heavy purchases of wheat in the United Kingdom has now been somewhat lessened. British reports state that the London rate on Montreal has been affected principally by the discount in New York on Canadian funds, as the United States quotation is now the most active one. The decline in activity of Canadian dollars in London would, of course, be reflected in the New York market through triangular exchange transactions.

* * *

STERLING has shown strength in both Canada and in New York in the week under review. The Canadian quotation has advanced from $3.76 to $3.81 and the New York price from $3.34⅞ to $3.35 9/16, between Jan. 9 and Jan. 16.

Reasons given for these higher quotations are that the normal seasonal pressure on sterling is lifting. London has less demand for Canadian dollars to pay for wheat purchases and smaller United States dollar requirements to pay for large seasonal imports of cotton.

The following table shows the week's changes in leading commercial currencies:

FOREIGN EXCHANGE
New York Funds

	High (Premium) %	Low (Premium) %	Last Year High (Premium) %	Last Year Low (Premium) %
Jan. 10	12 9-16	12 3-8	18 5-8	18 1-4
Jan. 11	12 7-8	12 1-2	19 1-4	18 5-8
Jan. 12	13	12 7-8	18 7-8	18 5-8
Jan. 13	13 1-2	13 1-8	19 1-4	18 5-8
Jan. 14	13 1-2	13 1-4	19 1-8	19
Jan. 16	13 3-4	13 5-16	19	18

STERLING, FRANCS AND LIRE
Close Demand in New York

	Sterling	Francs	Lire
Jan. 10	3.55	3.90 5-16	5.11 5-8
Jan. 11	3.35 3-8	3.90 5-16	5.11 3-8
Jan. 12	3.35 3-8	3.90 7-16	5.11 5-8
Jan. 13	3.34 7-8	3.90 1-4	5.11 1-2
Jan. 14	3.35 3-8	3.90 1-4	5.11 1-2
Jan. 16	3.35 3-4	3.90 3-8	5.11 1-2

Close Demand in Toronto

Par		Dec. 31	Jan. 9	Jan. 16
5.26	Italian	5.78	5.75¾	5.82¼
23.80	German	26.91½	26.73	27.03½
13.90	Belgian	15.62	15.57	15.74
49.80	Japanese	23.73	23.44	23.89

Weekly Bank Clearings

Eastern Cities

	Jan. 14, 1932	Jan. 12, 1933
Halifax	$ 2,461,762	$ 2,153,716
Saint John	2,222,407	1,467,079
Moncton	751,277	601,222
Sherbrooke	618,492	456,325
Quebec	4,067,066	3,109,141
Ottawa	4,542,208	3,481,773
Montreal	75,664,140	63,132,143
Kingston	514,811	460,880
Peterboro'	536,496	490,687
Toronto	72,386,799	71,502,902
Hamilton	4,030,994	3,070,914
Kitchener	812,840	683,725
Brantford	794,938	646,726
London	2,353,862	2,084,978
Chatham	451,951	387,340
Windsor	2,362,924	1,739,110
Sarnia	379,535	392,536
Sudbury	563,178	389,356

Western Cities

	Jan. 14, 1932	Jan. 12, 1933
Fort William	$ 440,536	$ 452,873
Winnipeg	30,114,120	42,250,622
Regina	4,030,729	4,012,081
Moose Jaw	478,917	402,740
Prince Albert	296,177	198,517
Edmonton	4,313,517	3,004,097
Calgary	4,381,529	4,660,001
Medicine Hat	174,741	165,065
Lethbridge	289,820	321,190
N. Westminster	458,151	369,929
Vancouver	12,177,020	11,199,288
Victoria	1,419,188	1,190,464

Insurance Inklings

Great-West Life Assurance Co.'s issued business in 1932 totalled $54,275,444 compared with $67,675,058 in 1931, a decrease of nearly 25 per cent.

Dominion Life Insurance Co. announces the following staff changes:

W. B. CLEVELAND, formerly supervisor at Halifax, has been appointed New Brunswick supervisor and manager at the St. John's branch.

F. N. McNALLY, supervisor for the Northern Ontario branch has been appointed manager of the branch.

D. F. CONNELL, formerly Northern Ontario manager, has been appointed manager at Calgary.

A. S. UPTON and S. C. MACKENZIE have been appointed agency supervisors.

MAJOR L. M. BIDWELL, who has been engaged in field work in Toronto for the Ontario Equitable Life Insurance Co. has joined the head office of the company as agency secretary.

LONDON, ONT., branch managers of the various life insurance companies in the city made the initial move in the direction of an association at a meeting on Jan. 7. Branch managers of thirteen insurance companies were present.

M. S. CROCKFORD, formerly advertising manager of the Excelsior Life Insurance Co. has been appointed supervisor of field service in charge of advertising, sales literature, agency publications and other printed field service.

A. E. MASSIE has been appointed manager for New Brunswick for the Continental Life Insurance Co.

SAULT STE. MARIE fire loss amounted to $149,430 in 1932, an increase of $15,570 from 1931. Alarms answered numbered 238, nine more than in 1931.

LONDON, ONT., fire loss amounted to $533,374 in 1932 compared with $174,208 in 1931. Six major fires in 1932 compared with only two in 1931 accounted for the large increase.

ST. CATHARINES fire loss amounted to $25,584 in 1932, the fire brigade responding to 192 alarms.

Manufacturers Life has announced a new servicing plan to aid agents in "re-canvassing" their policyholders. Complete details of the new plan are to be sent to agents on January 25.

The "Great Britain" division of Manufacturers Life will disappear in 1933 and will be superseded by four new agency divisions namely, "England North," "England South," "Greater London" and "Scotland." In commenting on this change, E. W. Phillips, manager of the company in Great Britain recalls that back in 1925, the Manufacturers Life was represented in Great Britain by a room 10 by 16 with the telephone standing on the floor because there was no desk to put it on.

On September 2 of that year, the company sold its first policy—one for £1500—and later in the year the first agency contracts were signed.

It was not until February, 1929, that Great Britain had £1,000,000 of business in force but with the passing of the years growth became more rapid and the £2,000,000 mark was reached in 1930. Today total business in force is £3,000,000.

H. R. Lyne has been appointed provincial mortgage loan manager of the Manufacturers Life for Alberta. He was formerly branch manager of the mortgage loan department of South Saskatchewan and has been connected with the company since 1905. He will move from Regina to Calgary to take up his new position.

Succeeding Mr. Lyne at Regina is C. S. Chapman, formerly branch manager of the mortgage loan department at Saskatoon. Mr. Chapman will become provincial manager of the company's mortgage loan department in Saskatchewan. Other changes in the mortgage loan department are the appointment of E. E. Harris, formerly office manager at Calgary and now loan inspector for Southern Alberta.

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE AUTOMOBILE WINDSTORM
Insurance in force over $250,000,000.00
Total Assets over 3,000,000.00
Agents required in Ontario
Write Eastern Branch, 2 Toronto St., Toronto, Ont.
THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE WASHINGTON
HEAD OFFICE FOR CANADA HAMILTON ONTARIO
BRANCH OFFICES: Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, St. John, Halifax
WRITING FIRE AND AUTOMOBILE INSURANCE AT COST. ASSETS $4,616,449.70
ALL POLICIES NON-ASSESSABLE, PAYING DIVIDENDS RANGING FROM 20% TO 30%

Insurance for Buyer and Seller

BUSINESS ISSUED BY IMPERIAL LIFE TOTALS $27,321,000

Assets Gain $1,000,000 in 1932 Annual Report Reveals

New business issued and revived by the Imperial Life Assurance Co. during 1932 totalled $27,321,794, a drop of only 13.7 per cent from the corresponding figure of a year ago, according to the company's annual report presented at the annual meeting in Toronto this week. Total business in force at the end of the year amounted to $291,380,798, a decrease of about $10,000,000 as compared with 1931.

Net premium income was slightly lower at $10,197,000, while interest receipts showed a gain from a year ago at $3,348,400. The average rate of interest earned on all invested assets was 5.52 per cent as compared with 5.82 per cent in 1931. Benefits paid to policyholders showed a substantial gain during the year and approached the $9,000,000 mark.

Assets Higher

Total assets were higher by $1,000,000 at $67,466,000, of which almost $30,000,000 is represented by bond and debenture holdings and $15,000,000 in first mortgages on real estate. Neither of these items shows any great change during the year due in the latter case to the maintenance of virtually the same valuation basis by the federal Government in both years. Policy loans are higher at $14,494,000 while free surplus shows a slight decline to $3,365,000.

In the directors' statement for 1932, G. A. Morrow, president of the company, points out that during the year the company's securities have been revalued to bring "the valuation at which our invested assets are entered in our financial statement well within the valuation set by the federal insurance department." This course has been adopted without calling on contingency reserve, which remains at $1,000,000 and allows the company a reserve liability for assurance and annuities that is $1,250,000 in excess of Government requirements.

Comparative figures for leading items in the company's report follow:

	1932	1931
New Business		
New Business Issued and Revived	27,321,794	31,654,702
Bus. in Force (Dec. 31)	291,380,798	301,467,126
Income (etc.)		
Net Prem. Inc.	10,197,344	10,650,088
Interest, etc.	3,348,368	3,270,273
Total	13,545,712	13,920,360
Benefits Paid*	8,971,333	7,637,748
Assets (etc.)		
Total Assets	67,465,960	66,147,753
Net Ledger Assets	63,984,164	62,777,183
Mortgages	14,988,112	15,346,117
Bonds & Debents.	29,362,174	29,456,778
Policy Loans	14,494,546	13,724,992
Policy Reserves†	57,254,104	55,849,029
Free Surplus	3,364,975	3,724,875

*To policyholders and beneficiaries.
†In addition the company has a general contingency reserve of $1,000,000.

DEBENTURE CO. HAS SMALL NET PROFIT

Regina Company Shows Better Liquid Position — Pays No Dividend

Debenture Co. of Canada had net profit of $3,081 in the year ended November 30, 1932, as against $10,244 in the previous year, before provision for income tax. As no dividends were paid during the year, surplus was increased to $4,141 from $2,131 brought forward from the previous year. Assets increased to $773,393 from $734,211.

Chief items among assets are tax sale certificates and accrued interest reduced to $304,074 from $392,892; agreements and optional agreements of sale up to $279,495 from $248,056. Property acquired for taxes and leased is down to $13,928 from $15,091 but property not yet sold or leased is up to $42,370 from $8,267. Loans to municipalities have increased to $57,244 from $9,205. The company also holds $27,364 of Saskatchewan bonds and has $48,491 in cash. Cash and bonds total $75,855 against $60,115 in 1931.

There are no liabilities to the public. Paid-up capital is shown at $548,895 and reserve remains at $60,000. Reserve for profits on agreements pending realization is up to $160,145 from $126,071. The record of earnings of the company since 1928 is as follows:

Earnings Record

Year	Paid-up capital $	†Net profits $	Div. rate %	Rate *earn. per sh. $
1928	480,018	51,333	10	12.2
1929	512,071	55,717	8	11.7
1930	534,723	11,422	6	2.2
1931	545,734	8,837	8	1.6
1932	548,895	2,011	..	‡0.4

*On average capital. ‡On paid-up capital.
†Less income tax.

Kellogg Co. to Extend Plant

Announcement is made by the Kellogg Company of Canada, Limited, of the construction of a new addition to their present plants. Plans have already been drawn up and approved and work on the new building is to start at once.

Receives Promotion

WILLIAM HASTIE

Appointed assistant general manager and treasurer of the Canada Life Assurance Co. Mr. Hastie joined the company in 1923 as a department manager in Montreal. For the past several years he has been assistant to the president, Leighton McCarthy.

MUTUAL OF CAN. BUSINESS IN FORCE SHOWS INCREASE

Preliminary Figures Show Surplus Maintained After Contingency Write-Offs

A gain in assets of 5 per cent; an increase in business in force of about $5,000,000 and a small increase in premium income are features of the preliminary operating statement of the Mutual Life Assurance Co. of Canada issued this week. The company shows new insurance paid for during 1932 at $44,038,582 as compared with $53,193,508 the previous year, a decline of about 17 per cent.

Total business in force at the end of December is shown at $517,967,974 as compared with $513,379,937 at the end of the previous year.

Operating results show net premium income slightly below last year at $18,355,000 while moneys received from interest and rents after deductions to provide for possible loss of interest on farm mortgages, were slightly higher at $6,879,000. Total income was $27,650,000 and after meeting all expenses and writing off $151,828 on ledger assets, surplus earnings for the year were shown at $5,509,688. Of this sum, $222,737 was absorbed as additional specific reserves against loss of principal on mortgages and sale agreements and just over a million dollars written off book value of bonds as provision against possible losses. The remainder was distributed as paid or allotted surplus to policyholders and additional provision for staff pension.

Free surplus at the end of the year was slightly lower at $4,158,000 due to the transfer of $378,510 from that account to general investment reserve which now stands at $1,200,000.

Total assets are given at $132,198,000 with surplus funds and contingency reserves at $11,853,106.

The company reports its expense ratio as the lowest in the history of the company and death losses as well within expected. Surplus earnings are stated to be $41.68 per $1.000 of assets.

The company will hold its 63rd annual meeting at Waterloo on Thursday, February 2.

Comparative figures for leading items in the statement follows:

	1932	1931
Business		
New ins. paid for	$44,038,582	$53,193,508
Bus. in force, Dec. 31	517,967,974	513,379,937
Income (Revenue Basis)		
Net prem. inc.	18,354,730	18,889,323
Int. and rents*	6,878,920	6,177,371
Total income	27,650,476	27,530,942
Assets, etc.		
Total assets	132,198,393	125,848,129
Free surplus	4,157,524	4,538,344
Gen. inv. & res.	1,200,000	826,491

*After the following deductions to provide for possible loss of interest on farm mortgages: 1932, $218,046; 1931, $394,287.

Compensation Act Extended to Cover All Garage Help

Extension of the Quebec Workmen's Compensation Act to include all persons employed by garages, whether mechanics or not, is announced. This applies automatically to garages having more than 6 employees. The owner of a garage or repair shop with less than 6 employees must make application for protection under the Act before his plant ranks for compensation.

Prior to the extension, which became effective on January 1, 1933, only mechanics employed by garages having more than 6 employees were protected under the Act.

Output of Brewing Industry

The output of the brewing industry in Canada in 1931 was valued at $49,055,739, from eighty breweries. Quebec province led with an output valued at $19,782,988, followed by Ontario with a production of $15,798,558.

GOV'T ANNUITY SALES INCREASE IN FISCAL YEAR

Purchase Money Received Reaches New High Total

Sale of government annuities in the fiscal year ending March 31. 1932, numbered 1,726 for an aggregate amount of $885,876 according to figures recently released in the annual report of the Department of Labor at Ottawa.

In spite of the depression, sale of government annuities has grown steadily, the number of contracts issued being the second highest recorded since the enactment of the Government Annuities Act in 1908, and the aggregate amount of annuities sold being the largest figure in the history of the branch.

Purchase money received during the year totalled $4,194,384, a sum surpassed in but one previous year.

13,000 in Force

Number of annuities in force as at the end of March, 1932, according to the report was 13,273 or a total amount of $5,467,596. Of this total $5,254 were immediate annuities and 8,019 were on the deferred plan. Total amount received on account of the purchase of annuities since the inauguration of the act in September, 1908, and exclusive of amounts returned to purchaser was $32,666,705.

As noted in the report, an amendment to the government annuities act reducing the maximum amount payable as an annuity from $5,000 to $1,200 a year, was enacted during the 1931 parliamentary session. It was pointed out that the plan of government annuities as conceived by the founder, Sir Richard Cartwright, was to provide security for persons of moderate means for their old age and was not intended to offer opportunities for investment to those in well-to-do circumstances, which was the result when later the amount was raised from $1,000 a year to $5,000.

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NEW BUSINESS OF LONDON LIFE GAINS OVER 1931

Insurance Issued Tops $100,000,000 Mark For 1932

A gain of $5,000,000 in new business issued in 1932 is the record of London Life Insurance Co. as shown in the 58th annual report submitted to the company's annual meeting in London this week. New business issued (net) totalled just over the $100,000,000 mark.

The gain was due to an increase of nearly $8,000,000 in ordinary business issued. Issued business for group and industrial divisions was lower than the corresponding figures a year ago. The company's business in force also showed an increase of approximately $10,000,000, small declines in industrial and group insurance totals being considerably more than offset by a $16,000,000 increase in ordinary business in force.

Interest Rate 6.33 Per Cent

Premium income and income received from interest and rent was higher than a year ago, while the company reports the average rate of interest earned during the year on all invested assets as 6.33 per cent as compared with 6.45 per cent a year ago.

Disbursements to policyholders and beneficiaries showed a considerable increase of $8,000,000 compared with $6,500,000 in 1931.

Of total assets of $77,560,000 the bulk is invested in mortgages which are shown at $45,300,000. Total assets are higher by over $5,000,000 for the year, the increase being due largely to a $2,500,000 gain in value of bonds and debentures held and in a considerable increase in the policy loans.

Surplus Higher

The company's free surplus shows a small gain at $3,111,000 while investment reserves have been increased from $1,150,000 a year ago to $1,700,000.

According to the actuarial statement, appended to the report, the company has a surplus in excess of the requirements of the Dominion Insurance Act of $11,188,000. This compares with a similar figure of $11,101,000 a year ago. This statement reveals that of the company's total investment reserve of $1,700,000, approximately $1,200,000 is set aside as a mortgage reserve.

Comparative figures for leading items follow:

New Business	1932 $	1931 $
New Business Issued (net)		
Ordinary	47,728,605	39,014,585
Industrial	51,558,572	52,345,426
Group	1,175,917	3,741,899
Total	100,463,094	95,101,910
Business in Force (net)		
Ordinary	283,385,003	266,999,512
Industrial	154,479,074	156,584,274
Group	34,090,525	37,623,632
Total	471,954,602	461,207,418
Receipts and Disbursements		
Ordinary prem.	7,815,085	7,878,887
Annuities	180,373	119,141
Industrial prem.	5,411,034	5,336,455
Group prem.	422,814	413,594
Total	13,829,305	13,747,877
Interest and rents	4,275,497	3,957,801
Total income	19,690,249	18,904,503
Disb. to policyholders & benefic.	8,801,758	6,554,040
Assets, Etc.		
Total assets	77,558,313	72,221,418
Mortgages	45,300,168	45,252,961
Bonds, debentures	16,608,291	13,919,529
Policy loans	9,601,720	7,917,764
Free surplus	3,111,151	2,811,721

MIDLAND LOAN ASSETS HIGHER DEPOSITS GAIN

Wrote $20,000 Off Investments; Increased Bond Holdings

Earnings of Midland Loan & Savings Co., Port Hope, Ont., are reported at $201,365 in 1932 as compared with $207,936 in 1931 while net profit was down to $55,321 from $60,647 before provision for depreciation reserve on investments and payment of dividends. Write-off on investments was $20,000 as compared with $25,000 in 1931 and after paying dividends of 11 per cent on the $360,000 of fully paid capital stock the company carried forward a surplus of $28,117. The company earned 15.3 per cent on its paid-up capital as against 16.8 per cent in 1931.

Total assets increased to $3,341,148 from $3,293,485. There was a small increase in debentures outstanding to $2,085,492 and in deposits to $335,194, a net gain of $40,029. Mortgage investments and interest are down to $2,799,699 from $2,841,598 and no real estate is held for sale. Agreements of sale are carried at $35,083. Holdings of Dominion and provincial bonds are up to $204,144 from $85,293 while government guaranteed issues increased to $19,001 from $11,722. Bonds of municipalities and school districts are down to $71,917 from $84,238 and other bonds and debentures have been reduced to $37,952 from $94,236. Cash is slightly lower at $167,753 and premises are carried at $5,000.

In addition to the capital stock of $360,000 reserve fund remains at $460,000 and contingent reserve at $20,000. Dividend payable January 3 is shown at $18,000. Earnings of the company since 1928 have been as follows:

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate %	Rate Earn. %
1928	360,000	57,388	8+2	15.9
1929	360,000	60,440	8+2	16.7
1930	360,000	60,632	10+2	16.8
1931	360,000	60,647	10+2	16.8
1932	360,000	55,821	10+1	15.3

Lake Shore Output $12,496,076 in 1932

Production by Lake Shore Mines for the three months ended Dec. 31, 1932, amounted to $3,110,000 exclusive of exchange compensation to bring the total production for the calendar year 1932 to $12,496,076 as compared with $11,073,694 in 1931.

The following tabulation gives production by quarters for the past two years:

Quarter ended:	Tons	Recovery	Per ton
Mar. 31, 1931	186,844	$2,325,000	$12.44
June 30, 1931	204,168	2,273,935	13.41
Sept. 30, 1931	212,918	2,780,759	13.06
Dec. 31, 1931	212,650	3,230,000	15.19
Mar. 31, 1932	204,869	3,027,000	14.77
June 30, 1932	203,997	3,327,076	16.31
Sept. 30, 1932	204,645	3,032,000	14.82
Dec. 31, 1932	205,187	3,110,000	15.15

Sino-Japanese Clash Helps Nfld. Iron Trade

Two shipments of Bell Island iron ore to Germany after the close of the regular season combined with the announcement that Germany had secured large orders in the Far East, presumably armaments for Japan or China, would seem to indicate that Newfoundland ore is being used in the manufacture of these armaments.

Better demand for ore from Germany near the close of the season gave rise to the belief that something had occurred and strength was lent to this by the fact that a coal steamer four days out from Sydney was suddenly recalled to Bell Island for ore. As Germany is the mainstay of the Bell Island ore industry any change in conditions there must necessarily result in a new lease of life for the island.

BUSINESS ISSUED OF CONFEDERATION TOTALS $43,464,000

Income and Surplus Earnings Higher in 1932

New business issued and revived by Confederation Life Association in 1932 totalled $43,464,000, a decline of 19.3 per cent from the corresponding figure of a year ago, according to figures presented at the company's sixty-first annual meeting this week. Total business in force now stands at $354,000,000 a decline of $7,000,000 from the corresponding figure a year ago.

Total income is higher by $1,000,000 with moneys received from premiums and from interest and rent showing an increase. The company reports a very substantial gain in consideration received for annuities, the 1932 figure being $1,693,000 as against $905,000 a year ago. Payments made to policyholders and beneficiaries showed a substantial jump to $12,518,000 an increase of over $2,500,000 as compared with 1930.

Assets Re-valued

According to the directors' report the invested assets of the company have been re-valued, over $2,000,000 have been written off book values. The revised values have been carried in the balance sheet and are less than the authorized values fixed by the federal insurance department. Total assets increased by $3,740,000 and amounted to $92,232,000. Policy loans are higher by over $1,000,000, at $19,051,000.

Surplus earnings in 1932 were $3,457,000, an increase of $840,000. Contingent reserve of $1,000,000 is carried forward into the 1932 statement. This sum together with free and unallotted surplus amounts to $2,160,000—an increase of $116,500 during the year.

Comparative figures for the past two years follow:

New Business	1932 $	1931 $
New ins. issued*	43,464,500	53,852,452
Bus. in force (Dec. 31)	374,071,320	381,085,182
Annuity receipts	1,693,200	904,886
Income and Disbursements		
Net prem. inc.	14,827,027	14,639,119
Int. & rents	4,449,629	4,281,237
Total income	20,835,874	19,843,293
Payments to policyholders & benefic.	12,199,575	9,880,386
Assets, Etc.		
Total assets	92,232,300	88,490,249
Bonds & debs.†	45,984,437	43,654,687
Mortgages	14,375,194	14,873,960
Stocks	3,749,610	3,592,417
Policy loans	19,051,621	17,846,809
Surplus & reserves	8,171,805	8,649,246
Free surplus	1,160,011	966,530
Conting. res.	1,000,000	1,076,965

*Including revivals.
†At amortized values.

SECURITY LOAN ADDS TO SURPLUS

Bond Holdings Increase; Deposits Show Small Decline in 1932

Security Loan & Savings Co., of St. Catharines, Ont., earned $61,816 in 1932, before provision for income tax estimated at $6,264, as against $58,288 in 1931 after provision for income tax. Earnings were 11.4 per cent of invested capital in 1932 before provision for income tax as compared with 10.8 per cent in 1931 after tax had been deducted. After providing $15,000 for contingency reserve and paying annual dividends of 7 per cent surplus was increased to $7,577 from $4,812.

Total assets showed slight increase at $2,192,942. Debentures outstanding increased to $952,919 from $930,025 while deposits were down to $302,833 from $339,671. Principal and interest on mortgages outstanding is down to $1,731,204 from $1,804,285 while properties held for sale are shown as a liability of $10,082. Dominion, provincial and municipal bonds at cost are up to $330,273 from $279,439 the entire increase being in Dominion and provincial bonds. A reserve of $13,749 against these investments is shown among liabilities. Properties held for sale are up to $61,849 from $41,121. Cash is higher at $29,718. Premises are carried at $21,723.

The company has fully paid capital of $539,300 and a reserve fund of $335,000. The record of earnings since 1928 is as follows:

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate %	Rate Earn. %
1928	539,800	58,188	7	10.7
1929	539,800	57,529	7	10.6
1930	539,800	58,572	7	10.8
1931	539,800	58,287	7	10.8
1932	539,800	*61,815	7	11.4

*Before deducting income tax, 1932, estimated $6,263.

Toronto University Plans Lectures on Unemploym't

Unemployment will be the subject of a series of evening lectures at University of Toronto if fifty or more applications are received before the end of January, it is announced. If the class is established, lectures will commence on Wednesday, February 8, and will continue for ten weeks. Dr. H. M. Cassidy of the staff of the University will be the lecturer.

It is stated that the lectures will be particularly concerned with the present situation in Canada.

Tobacco Exports Increase

During the eight months ended with August, 1932, a total of 8,950,568 pounds of Canadian tobacco valued at $2,545,380 was exported to Great Britain as compared with a total of 4,917,128 pounds valued at $1,429,892 for the corresponding period of 1931. The increase, both in quantity and value, is thus approximately 100 per cent.

Grain and Milling in Canada

CANADIAN PORTS GAIN IN EXPORTS CANADIAN GRAIN

Final Ruling on Imperial Preference Will Affect Routes

LESS GRAIN VIA U. S.

Export Shipments of U. S. A. Grain Through Canadian Ports Also Shows Decline

Routing of Canadian grain through Canadian ports for export has been increasing gradually over the last seven crop years, and judging from the decline in shipments through Buffalo in the current crop year, this trend may be accentuated in the 1932-33 period. The most important influence in this trend at present is the fact that low ocean freight rates are now available out of Canadian ports to meet "liner" rates out of American ports and a new factor is of course the question of allowance of the Imperial preference on exports of Canadian wheat shipped through United States ports.

The uncertainty in the autumn months of the present crop year concerning the ultimate ruling, as to the United Kingdom preference on exports through the United States, resulted in substantially decreased shipments through Buffalo. The final interpretation of the regulations on this point will further affect the routing of the portion of the Canadian wheat exports to be marketed in the United Kingdom, according to the first analysis on routing of Canadian grain for export issued by the Dominion Bureau of Statistics.

Exports Via U. S. Drop

In the last seven crop years, when exports of Canadian grain through Canadian ports have gradually become a larger proportion of the total Canadian grain exports, shipments of Canadian grain through United States ports have declined. This is shown in the following tabulation:

Proportion of Canadian Grain Exported Via Canadian and United States Ports

Crop Year	Total Exports Bushels	% via Can. Ports	% via U.S. Ports
1925-26	352,206,910	53.1	42.9
1926-27	308,316,761	51.7	44.6
1927-28	340,828,142	62.5	34.1
1928-29	415,087,459	63.4	33.7
1929-30	161,183,887	59.9	35.0
1930-31	259,640,497	65.8	30.2
1931-32	219,250,491	77.9	19.7

During the last ten years there has been a considerable export movement of United States grain through Canadian ports. But while Canadian ports have been gradually increasing their handling of Canadian grain for export, they have suffered a substantial decline in handling re-exports of United States grain. Small export shipments of United States grain through U. S. Atlantic ports would indicate that the majority of United States cereals is now sent through ports on the Gulf of Mexico and the Pacific Coast, according to the Dominion Bureau report.

The movement of United States grain through Canada takes place chiefly during the season of navigation on the lakes. The United States harvest being about a month earlier than the Canadian, ample facilities are available for handling the movement. The route taken by United States grain through Canada is usually from Chicago, Duluth and Milwaukee by ship to Georgian Bay ports, and from there by rail to Montreal, Sorel or Quebec for export. Thus this grain is handled twice in Canada, at Georgian Bay ports and at the final point of export. The 1932-33 crop year has seen abnormally small exports of grain from the United States overseas, and Canadian handlers of grain have as a result not enjoyed the normal amount of such business, as was the case in the 1931-32 year.

The quantities of Canadian and United States grain exported through Canadian ports in the last 11 fiscal years are shown in the following table. The decline in the United States shipments is striking.

Exports of Canadian and United States Grain Via Canadian Ports
(000's omitted)

Crop Year	Canadian Grain Bus.	U.S. Grain Bus.	Total Movement from Can. Ports Bus.
*1921-22	66,073	89,573	155,646
*1922-23	109,006	55,313	164,319
*1923-24	145,709	23,878	169,587
1924-25	100,517	88,641	189,158
1925-26	187,147	47,743	234,890
1926-27	159,400	52,825	212,225
1927-28	213,008	88,452	301,460
1928-29	263,177	83,512	346,689
1929-30	96,480	23,591	120,071
1930-31	170,784	10,605	181,389
1931-32	170,703	9,958	180,661

*Crop year ended Aug. 31.

In addition to the route for most U. S. grain exported through Canada, there are four main arteries of grain export from Canada, and one of these is not very important as yet. The four routes are: first, the all-Canadian eastern route, from the head of the great lakes to Georgian Bay ports by water, and thence to Montreal, Sorel, Quebec, Saint John or Halifax by rail. This could be varied by vessel shipment to lower lakes ports, such as Port Colborne, Toronto, Kingston or Prescott, and from there by rail to eastern Canadian sea or river ports. Second, the export route via United States ports. This route from the head of the lakes to Buffalo by ship, and from Buffalo to Albany and New York by canal, or by rail to Atlantic ports such as Portland, Boston, New York, Baltimore, Philadelphia, etc. Third, the all-Canadian Pacific route, by rail from the Prairie Provinces to Vancouver and other Canadian Pacific ports, for export to the Orient, or via the Panama Canal to Europe. Fourth the all-Canadian northern route through Churchill on Hudson Bay. This route has been used but little to date.

Water Route Valuable

Normally almost all the grain exported by the two eastern routes during the navigation season moves by the all-water route from the head of the lakes to Montreal, Sorel or Quebec or by the lakes to Buffalo and by the Erie Canal to New York. After the close of navigation on inland waters, grain stored at Georgian Bay ports is moved by rail to Saint John or Halifax, while grain stored at Buffalo moves by rail to New York or other United States Atlantic ports.

Transportation costs on the two all-water routes are kept in close correspondence by competition, while the Canadian railways keep the cost of the longer rail movement from Georgian Bay ports to Saint John and Halifax on a parity with the costs of the shorter movement by rail from Buffalo to New York city. Normally grain does not move by rail while water routes are open.

Customs figures for total exports of Canadian grain through Canadian ports do not take into consideration re-routed grain, originally entered at the head of the lakes, for export through United States ports, and subsequently routed through Canadian ports. Such grain exports through Canadian ports often go to Buffalo, en route, and thence to Montreal, Sorel and Quebec, but would show in the official records as exported through United States ports. This only starts in the statistics for the 1925-26 crop year.

Handlings by Ports

Canadian ports are now understood to be handling a larger proportion of the Canadian grain exports than previously, but figures for the 1932-33 year are, of course, not available. However, the relative size of handlings of Canadian exports by the leading ports of the Dominion are shown in the following table. The rise of Vancouver, which is an all-year-round port should be noted. While Montreal does not handle as large a proportion of the total grain exports as Vancouver, it should be remembered that the eastern port is closed by ice for about four months in the winter.

Proportion of Total Canadian Grain Exports Shipped Through Leading Canadian Ports

Crop Year	Montreal	Quebec	Sorel	Saint John	Halifax	Vancouver	Other
1925-26	25.7	.9	*	4.1	.4	15.2	.1
1926-27	20.8	1.5	*	6.6	.3	11.2	1.9
1927-28	19.4	1.1	*	2.8	.7	23.4	2.3
1928-29	22.7	1.9	*	3.2	.8	23.2	.8
1929-30	16.2	.6	.2	2.8	.1	30.4	.2
1930-31	21.3	1.8	1.4	4.2	.1	28.3	.9
1931-32	30.2	.02	2.9	1.5	.5	37.9	.4

Bear Factors Dominated Last Month Says Searle

Decline of 3⅜ Cents a Bushel in Price of No. 1 Northern Due to Weighty Bearish Influences

As in November, a preponderance of bearish factors in the wheat markets of the world caused a decline in prices during December, in the opinion of the Searle Grain Co., Winnipeg.

There was a drop of 3⅜ cents a bushel in the price of No. 1 Northern wheat at Winnipeg between Nov. 30 and Dec. 31, 1932, and the bearish factors in the period are considered by this authority to have been of sufficient magnitude to outweigh the bullish, and to bring about this result. The most important bearish factors, in the opinion cited, were the unexpected increase in the official estimate of the American wheat crop and the uncertainty in Europe, due to the war debt situation.

The Searle summary of the wheat position with the bullish and bearish factors stated in brief is as follows:

Recorded Situation as of Dec. 31, 1932

The price of No. 1 Northern, Fort William, on Nov. 30 was 44¾ cents and on Dec. 31 was 41⅜ cents, showing a decline of 3⅜ cents since the first of the month. The spread between 1 and 2 increased from 1½ to 2⅛ cents. The total world shipments of wheat and flour for December were 59 million bushels as against 52 million last month and 57 million a year ago.

Canadian shipments have been 34 million out of the total of 59 million, or again more than all the rest of the exporting countries put together. Last year for the month of December Canada shipped only 17 million.

Western Canada farmers delivered 22 million to country elevators as against 36 million last month and 20 million for December a year ago.

The Canadian visible on December 31 was 239 million, an increase of 7 million during the month. On the same date last year it was 195 million.

Factors Tending to Cause a Rise in Price (Bullish)

The world visible, December 31, was 453 million bushels, a decrease of 4 million during the month. The similar visible a year ago was 469 million.

The world's carry-over (visible plus estimated wheat in farmers' hands) was estimated at 942 million bushels, December 31—a decrease of 36 million during the month, accounted for by the greater amount of world shipments than the amounts harvested and threshed in the Argentine and Australia during the month. The world's carry-over on December 31, last year, was 908 million bushels

Sterling in New York, December 31, was $3.31, an increase of 16 cents during the month.

Offerings by Russia still very small.

Purchases of U. S. A. wheat by Greece.

Private reports of United States winter wheat acreage and conditions estimate a decrease of 6.3 per cent in acreage and a condition of only 75 per cent, which is the lowest on record at this time of the year.

The Argentine official report of yield was 8 million bushels less than previous estimates.

Poor root growth reported of the U. S. A. winter wheat plant.

So far no exports of wheat from India.

In spite of home crop surplus, Germany purchasing Canadian wheat.

Factors Tending to Cause a Drop in Price (Bearish)

Free Australian offers at lower than Canadian prices.

The Canadian dollar New York, December 31, was 88 cents, an increase of 4 cents during the month.

Sterling at Montreal, December 31, stood at $3.76, a decrease of 2 cents during the month.

The U. S. A. final official report of the spring and winter wheat crop—U. S. A.—most unexpectedly showed an increase of 15 million bushels, whereas a decrease of about the same amount had been expected.

Argentine begins to press wheat on the Liverpool and the world's markets.

Countries of central Europe, which suffered from a very short wheat crop, instead of importing wheat, are substituting other foodstuffs for their own consumption, and making efforts to export at least some wheat as usual.

From December 1 to 15 much uncertainty the world over regarding the payment of the war debt.

Installments due to the U. S. A., causing a decline in the price of stocks and securities.

Index number of wholesale prices most countries in the world again slightly lower

On December 27 the market broke 1½ cents, starting at Liverpool, from fear that the Farm Board would resume selling its surplus wheat at the first of the year. (Farm Board had promised not to sell during 1932, but up to this date had made no mention of further withholding from the market).

Australia Grain Outstrips Sales From Argentine

Australia has so far outstripped the Argentine in placing her new crop on the market, shipments last week amounting to more than six million bushels. Liverpool hears that sales have already been made (but not shipments as yet) of more than 37,000,000 bushels of Australian wheat to Japan and China.

About 2,000,000 of last week's shipments were reported as for Oriental destinations, and 4,000,000 bushels for Europe. The latter means essentially the United Kingdom, for comparatively little Australian wheat finds its way to the Continent.

U. K. Shipments Small

The comparatively small shipments which the United Kingdom has so far received this year suggest that local supplies of home-grown wheat must have been used up to an unusual extent by this time, and heavy purchases of Australian wheat are consequently expected.

Whether that wheat will be blended with Argentine or with Canadian wheat will depend partly upon the demand for quality flour, partly upon the price relationship between Canadian and Argentine wheat, but possibly principally upon the milling qualities of the latter, as to which reports, although suggesting that it is below the usual standard, are not yet quite definite.

WHOLESALE PRICES MAINTAIN TRENDS

Spread Between Manufactured Goods and Farm Products Widens

Wholesale price indices of the Dominion Bureau of Statistics for December reveal that the spread between farm products and manufactured goods continues to increase, the former dropping 1.5 from November compared with a fall of 0.6 in the index for fully and partly manufactured goods. The spread between farm products and raw and partly manufactured goods also increased, although the latter index fell 1.2 from the previous month.

Lower prices for food, beverages and tobacco have depressed the wholesale index for consumers' goods by 0.4 but this is not sufficient to keep pace with the decline in consumers' goods. Manufacturers' and producers' materials declined 1.7 and 1.6 respectively and building and construction materials declined 0.9 These losses in the producers' goods index were somewhat offset by an increase of 1.7 in the producers' equipment index, the index for the group dropping 1.3.

Changes from the previous month and from December, 1931, are shown in the following table:

Wholesale Price Indices
(1926 = 100)

	Dec. 1932	Nov. 1932	Dec. 1931
Raw & part. mfg.	51.1	52.3	60.2
Fully & chiefly mfg.	68.1	68.7	72.6
Farm products	42.7	44.2	53.8
Field crops	33.6	36.6	48.4
Animal	57.8	56.9	71.2
Consumers' goods	70.6	71.0	73.6
Foods, bev. & tobacco.	59.3	60.1	65.4
Producers' goods	58.6	59.9	67.4
Equipment	87.7	86.0	91.1
Materials	55.4	57.0	64.8
Bldg. & const. materials	76.2	77.1	79.3
Mfg. materials	50.8	52.5	61.6

Winnipeg Grain Prices

Week to January 17

Crop year from Aug. 1, 1932 High	Low		Open Jan. 11	High for week	Low for week	Close Jan. 17
		Wheat				
.67⅝	.40½	May	.47¾	.49	.44⅝	.45⅝
.54⅞	.41¾	July	.49	.49⅞	.45½	.46½
.50¾	.46⅞	October	.50⅜	.51¼	.46⅛	.47⅝
		Oats				
.29½	.21⅛	May	.24⅛	.24½	.23	.23⅝
.26	.21½	July	.24	.24⅝	.22¾	.23¼
.23¼	.21⅞	October	.23	.23⅛	.21⅞	.22¼
		Barley				
.35¼	.26¼	May	.30⅝	.30⅞	.29¼	.29⅝
.33⅝	.26	July	.30	.30⅝	.28⅛	.29
.29½	.28	October	.29	.29⅝	.28	.28¼
		Flax				
.94	.71¼	May	.83½	.83⅝	.75⅝	.78⅛
.84½	.71⅝	July	.83½	.83⅝	.75⅝	.78⅛
.84	.76	October	.....	.82	.76	.78⅛
		Rye				
.42⅞	.30¼	May	.35	.35½	.31½	.32⅝
.37	.31	July	.35½	.35⅝	.32⅛	.33

This Week in Wheat

Heavy Shipments from Australia
U. S. Winter Wheat News Bullish
Veto Likely for U. S. Farm Bill

From Our Own Correspondent

Market Gains Hard to Hold

WINNIPEG.—There continues to be a strong feeling in the market here and the same feeling is reflected from Liverpool and Chicago that the outlook for wheat prices is improving but market gains are hard to hold. The immediately adverse conditions are the shipping of large quantities of Australian wheat and the price reductions offered on Argentine wheat.

Australian wheat holds on a parity with Canadian No. 2 Northern at Liverpool possibly a somewhat better ratio than it will be able to hold when the large shipments now afloat reach the United Kingdom. But the Argentine is underselling that grade at Liverpool by more than 6 cents a bushel enough to absorb the duty and to bring it down to less than what No. 3 Northern would fetch if there were any considerable quantities of that grade on which to base quotations. Practically all of the Canadian crop available for sale is now in grades two Northern and higher.

* * *

REPORTS of the condition of the United States winter wheat crop continue to get worse, to such an extent that it is difficult to believe how it can approach anywhere near 400 million bushels. Going into the winter in poor condition it has suffered from alternate freezing and thawing, and a deficiency of moisture over the greater part of the southwest leads to predictions of still further damage in the spring. A very extensive acreage abandonment is likely to be recorded as soon as the beginning of the growing season makes apparent the full extent of the winter killing, and that may be increased as the season progresses if lack of soil moisture is not soon overcome by rainfall.

From Minneapolis come predictions that the spring wheat production is unlikely to be large, based largely on existing moisture conditions, but also to some extent on the feeling that the standard of farming is deteriorating under existing conditions. United States still exercises a sympathetic effect on Liverpool and Winnipeg prices, in spite of the absence of United States exports, but it will not be surprising if they break completely away at an early date and come to be recognized as pursuing a course, which for the next year at least, may be comparatively independent of outside prices.

* * *

U. S. Farm Bill Unlikely to Pass

ALTHOUGH the Domestic Allotment Bill designed to raise interior prices in the United States for agricultural products, and especially for wheat, has passed the House of Representatives at Washington, there is thought to be no likelihood of its becoming law at the present session of the United States Congress. Should the Senate be willing to pass it, it is assumed that President Hoover would veto it.

Nor is its passage assured at the special congressional session likely to be held shortly after Mr. Roosevelt assumes the office of President. He has already declared himself in favor of the general purpose of the plan of the bill, but has been careful to indicate that he has not studied the details of its proposed application, which would leave him free later to declare against it should he deem it unworkable.

* * *

SOME authorities now claim that the whole scheme is unconstitutional, and that it would never stand the test of the courts even if Congress should enact it. But once a new Congress is installed apparently the only thing that would prevent both Senate and House of Representatives passing a domestic allotment bill would be such a rise in the price of wheat as would make the plan seem no longer useful from the standpoint of farmers.

Wheat Revenue to Farmer Slightly Greater This Year

While wheat delivered in the first five months of the current crop year was 42 per cent greater in volume than in the same period of the previous crop year, the dollar value to farmers in the Prairie Provinces was only slightly greater than in 1931-32, according to a compilation of the W. Sanford Evans Statistical Service, Winnipeg.

Nearly 274,000,000 bushels were delivered in the five months ended December, 1932, and the dollar value was $83,500,000, compared with 193,000,000 bushels delivered in the previous year and a value of $82,738,000.

Receipts in both Manitoba and Saskatchewan, $13,528,000 and $35,591,000 respectively, were greater than in the previous year.

Grain Merchants Shippers & Exporters
Owning and Operating Terminal Elevator at Port Arthur (Capacity 5,500,000 bushels)
Over 250 Elevators in Western Canada
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AUSTRALIA TO USE 160 WHEAT SHIPS

Fast Motor Vessels and Old Sailing Ships to Export Crop

Some 160 steamers and sailing vessels, with a capacity of 1,250,000 tons (approx. 41,666,000 bush.) have already been chartered for the present Australian harvest, according to a computation by the Department of Trade and Commerce, Ottawa.

Both the oldest and the newest types of marine transport will take part in the export trade from Australia to overseas markets. A large number of fast motor vessels have been chartered to load grain in Australian ports, and some of these modern vessels will be loading side by side with 19 sailing ships which are to load South Australian wheat.

Some of the motor ships will make several trips during the season, and this has been an incentive in chartering them. Inversely sailing ships have the advantage of lower freights to counteract slow transport. Most of the seaworthy sailing vessels of any tonnage capacity afloat have in recent seasons loaded wheat at Adelaide and other ports in South Australia for the United Kingdom and the continent. These sailing vessels are all, or nearly all, of Norwegian ownership.

Freight charters to Shanghai have varied from 13s. 6d. to 16s. a ton, according to bulk or bag loading, while for January loading the average rate to the United Kingdom and the Continent is quoted at from 28s. to 29s. per ton. These rates are based on Australian currency which is currently quoted at about $3.05 in Canada.

St. Lawrence Flour Activities Maintained

From Our Own Correspondent

MONTREAL. — Operations of St. Lawrence Flour Mills Co. have been maintained on a satisfactory basis since the beginning of the current fiscal year, September 1, and indication of the improved position of the company is seen in declaration of a second quarterly dividend on its common shares payable February 1. In October the stock was placed on an annual dividend basis of $1.50; this marked the first disbursement to be made on the common since 1925.

Earnings in the last year ended August 31 totalled $107,839 compared with $90,266 in the previous period. After all charges profits were equal to $2.40 a share on the $1,200,000 of common stock outstanding.

The company's immunity from the problems entailed by subsidiary baking companies at the present time has been a favorable factor in its progress. Baking subsidiaries have proved a drag on some of the larger milling organizations; St. Lawrence has not extended its activities into the baking field.

Montreal Tramways to Adjourn Meeting

From Our Own Correspondent

MONTREAL.—Annual meeting of Montreal Tramways Co. scheduled for March 20 next will be purely formal. The meeting will be convened and immediately adjourned until April 24. This follows a similar step taken last year, when the annual meeting was held on April 20.

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING JANUARY 16

Range 1932-33 High	Low	Divd. Rate in $	Yield in % Jan. 14		Sales	Close Jan. 9 (or last)	Week Ending Jan. 16 High	Low	Close
3.25	.25	.	...	Abitibi	1906	.25	.35	.30	.30
10	1	.	...	Do. pref.	50	1	1½	1½	1½
x105	80	.	...	Do. pref.	....	..	..	..	..
80	80	7	...	Acme F. D'y, p	....	80	..	..	..
5	4½	.	...	Agnew Surp.	....	5	..	..	..
70	60	7	...	Do. pref.	....	60	..	..	..
7¾	3½	.	...	Alta. Pa. Gr.	....	4	..	..	..
45	19	.	...	Do. pref.	70	21½	21½	20	21
3¼	1½	.	...	Amal. Electric	....	1½	..	..	..
11	5	.	...	Do. pref.	....	5	..	..	..
x3½	3½	.	...	Anglo. N. Hold.	....	..	..	..	..
.30	.15	.	...	Asbestos	....	.20	..	..	..
1.00	.50	.	...	Do. pref.	....	.60	..	..	..
7	4	.	...	Assoc. Brew.	....	5	..	..	..
72	65	7	9.7	Do. pref.	20	70	72	70	70
3	3	.	...	Assoc. Can.	....	3	..	..	..
x69	65	.	...	Assoc. Tele.	....	..	..	..	..
30	16	.	...	Atlan. Sugar	....	20¾	..	..	..
120	92	.	...	Do. pref.	....	120	..	..	..
159¾	127	10	7.7	Bk. Can. Nat.	41	128	129	128	128
225	150	10	5.4	Bk. Montreal	211	184½	186	182	183
275	238	14	5.4	Bk. N. Scotia	10	260	260	260	260
193	125	10	5.8	Bk. Toronto	121	165	171	164	171
10¼	10½	.	...	Barcelona	....	10½	..	..	..
3	1	.	...	Bathurst Pr.	....	1¼	..	..	..
1½	½	.	...	Do. (B)	....	1	..	..	..
[illegible]									
‡34	28½	2	...	East. Theatres	....	..	..	..	..
x85	80	7	...	Do. pref.	....	..	..	..	..
1	1	.	...	Easy Washer	....	1	..	..	..
9	4½	75c	10	Economic Inv.	15	6	7½	7½	7½
x15	15	.	...	Edmonton D'y	....	..	..	..	..
x80	78¾	6.50	..	Do. pref.	....	..	..	..	..
4	4	.	...	Enam. & Heat.	....	4	..	..	..
19	6	.	...	Eng. Electric	....	8	..	..	..
2½	1½	.	...	Do. (B)	....	2	..	..	..
8	6	.	...	Fam. Players	....	7	..	..	..
10	7½	.	...	Do. Vot. Tr.	....	10	..	..	..
10	7	25c	...	Fanny Farmer	....	8½	..	..	..
29	23	2.40	10.4	Do. pref.	60	25	23	23	23
x83½	75	.	...	Firstbrook Box	....	..	..	..	..
16¾	5¾	.	...	Ford Motors A	1161	7¼	7¾	7½	7¼
3⅜	1½	.	...	For. Pr. Secs.	....	1½	..	..	..
9	4	.	...	Foundation Co.	....	4	..	..	..
1.25	.25	.	...	Fraser Cos.	330	.25	.25	.25	.25
50	50	.	...	Front Brew.	....	50	..	..	..
50	50	.	...	Do. pref.	....	50	..	..	..
x8	5	.	...	Frost Steel	....	..	..	..	..
37	35	.	...	Do. pref.	....	35	..	..	..
2½	⅜	.	...	Gen. St. Wares	375	1	1⅛	1	1
84	38	5	7.6	Goodyear Tire.	5	65	66	66	66
95	70	7	7.7	Do. pref.	53	90	91	88	88
x93½	93½	.	...	Gould Pumps p	....	..	..	..	..
1⅜	⅜	.	...	Gt. W Saddlery	100	⅜	⅜	⅜	⅜
8	5	.	...	Do. pref.	....	8	..	..	..
21	5	60c	10	Gurd, Chas.	20	5	6	6	6
106	100	7	7	Do. pref.	....	100	..	..	..
5	1⅞	.	...	Gypsum, Lime.	530	2	2¼	1⅞	1⅞
7	2	.	...	Ham. Bridge	135	2½	3⅛	2¾	3
60	44½	.	...	Do. pref.	....	45	..	..	..
10	5½	.	...	Ham. Cot. pf.	....	5¼	..	..	..
2½	1½	.	...	Ham. U. Theat.	25	2½	2½	2½	2½
53	30	7	.	Do. pref.	....	30	..	..	..
4	½	.	...	Hayes Wheel	....	⅜	..	..	..
4	4	.	...	Do. pref.	....	4	..	..	..
‡50	50	.	...	Hillcrest Coll.	....	..	..	..	..
‡91	91	.	...	Do. pref.	....	..	..	..	..

Range 1932-33 High	Low	Divd. Rate in $	Yield in % Jan. 14		Sales	Close Jan. 9 (or last)	Week Ending Jan. 16 High	Low	Close
3	1	.	...	Hinde & Dauch	....	2¼	..	..	..
x75	75	.	...	Holt Renfrew	....	..	..	..	..
‡96½	90	7	...	Do. pref.	....	..	..	..	..
3½	½	.	...	Honey Dew	....	½	..	..	..
40	10	.	...	Do. pref.	....	11	..	..	..
4	2	.	...	H. Smith Pap.	100	2½	2¾	2¾	2¾
27	16	.	...	Do. pref.	....	16	..	..	..
21¼	15	2	11.8	Humberstone S	....	17	..	..	..
17¾	6½	1	14.3	Hunt (A)	15	8	7	7	7
x23½	12½	1	...	Do. (B)	....	..	..	..	..
108	93	8	7.8	Huron & E. Mt.	....	102	..	..	..
18	17	.	...	Do. 20% pd.	25	18	18	18	18
11¼	4¾	.	...	Hydro. Electric	....	6	..	..	..
193	130	10	6.4	Imperial Bank	23	150	155	155	155
11⅛	7¾	50c	5.4	Imperial Oil	7996	9	9¼	9	9
9⅝	6	35c*	4.2	Imperial Tob.	1748	8½	8½	8	8½
x80	80	8	...	Inter. Coal, p.	....	..	..	..	..
6	6	.	...	Int. Hyd. E. A.	....	..	..	..	..
99	88¼	7	7.1	Inter. Mill. pf.	5	98	99	99	99
84	77	6	7.2	Do. Series A	....	84	..	..	..
13½	4	.	...	Inter. Nickel	14690	9¼	9½	8⅞	9
4	4	.	...	Inter. Paints	....	4	..	..	..
b4¾	½	.	...	Int. Pa. & Pr. A	100	1	1¼	1¼	1¼
b2	½	.	...	Do. (B)	....	½	..	..	..
b1½	½	.	...	Do. (C)	200	½	½	½	½
b12¼	1¾	.	...	Do. pref.	1300	2¼	4½	2¼	4½
[illegible]									
210	125	10	6	Tor. Gen. Tr.	28	162	166½	166½	166½
108	85	6	6.3	Toronto Mtge.	2	95	96	95	95
½	½	.	...	Traymore	....	¼	..	..	..
2¼	2	.	...	Do. pref.	....	2	..	..	..
120	103	7	6.5	Tuckett Tob. p	1	106½	108	107	107
5	2	.	...	Twin City	....	5	..	..	..
b24½	7	.	...	Do. pref.	....	..	..	..	..
37	23	.	...	Do. (notes)	....	23	..	..	..
7	1¾	.	...	Union Gas	181	3¼	3¾	3¼	3¾
100	85	.	...	Union Trust	....	85	..	..	..
x8	8	.	...	United Fuel	....	..	..	..	..
15	3	.	...	Do. pref.	30	7	5½	5	5½
24⅜	18	2	10	United Secs.	....	20	..	..	..
11	5	.	...	Viau Biscuit	....	5	..	..	..
75	59	.	...	Do. pref.	....	59	..	..	..
12	4	.	...	Wabasso Cot.	75	5½	6	6	6
8	2½	.	...	Walker-Good.	2574	5	5¼	4¾	4⅞
12	9	1	...	Do. pref.	2045	9⅜	9⅝	9⅜	9½
3¾	1	.	...	Waterloo Mfg.	....	1½	..	..	..
80	75	7	...	W. Koot. Pr. p	....	80	..	..	..
8	5½	.	...	West C. Flour.	....	8	..	..	..
60	54	6.50	11.8	Do. pref.	....	55	..	..	..
12¼	10	.	...	West. Grocers.	....	11½	..	..	..
60½	43	7	11.7	Do. pref.	....	60	..	..	..
x91	85	.	...	W. Steel Pr. p	....	..	..	..	..
23	16½	1	5.6	Weston Bisc.	65	19¾	18½	18	18
70	65	7	10.4	Do. pref.	10	67	67	67	67
10	3	.	...	Windsor Hotel.	....	3	..	..	..
38	10	.	...	Do. pref.	....	11	..	..	..
8	2	.	...	Winnipeg Elec.	90	3½	3¼	3	3
20	6	.	...	Do. pref.	30	8	8	8	8
x46	46	.	...	Woods Mfg. p.	....	..	..	..	..
1	1	.	...	Zimmerknit, c.	....	1	..	..	..

x Quotations for 1931. No sales recorded in 1932-33 to date.
b New York Quotations.
‡ Quotations for 1930.
* Plus final div. of 17½c paid March 31, 1932.
§ Plus 20c. extra paid. Dec. 1.
▲ Stock dividend.
♦ On account of arrears covering quarter ended Mar. 31, 1932.

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Acme Farmers Dairy, pref.	7%	3½%	Feb. 10	Jan. 31
Agnew Surpass, pref.	7%	1¾%	Apr 1	Mar. 15
Beatty Bros. 1st pfd.	$6	$1.50	Feb. 1	Jan. 15
Do., 2nd pfd.	$7	$3.50	Jan. 3	Dec. 31
Belding-Corticelli, c.	7%	1¾%	Feb. 1	Jan. 14
Canada Northern Power	80c	20c	Jan. 25	Dec. 31
Canadian Dredge	...	$1	Feb. 1	Jan. 16
Do., pref.	7%	1¾%	Feb. 1	Jan. 16
Can. Bronze	$1.25	31¼c	Feb. 1	Jan. 20
Do., pref.	7%	1¾%	Feb. 1	Jan. 20
Can. Industries com. "A"	$3.50	87½c	Jan. 31	Dec. 31
Do., com. "B"	$3.50	87½c	Jan. 31	Dec. 31
Calgary Power pref.	6%	1½%	Feb 1	Jan. 14
Cons. Min. & Smelting	...	*10%	...	....
Can. Converters	$2	50c	Feb. 15	Jan. 31
Dom. Scottish Invest. pfd.	$1	25c	Feb. 1	Jan. 20
Dominion Bridge	$2	50c	Feb. 15	Jan. 31
Do.	...	50c	May 15	Apr. 29
Eastern Theatres c.	$2	50c	Mar. 1	Jan. 31
Eastern Theatres pfd.	7%	3½%	Jan. 31	Dec. 31
Grey & Bruce Trust c.	$1	50c	Dec. 31	....
Humberstone Shoe	$2	50c	Feb. 1	Jan. 16
Hollinger Gold	65c	5c	Jan. 28	Jan. 13
Inter. Nickel, pref.	7%	1¾%	Feb. 1	Jan. 3
Imperial Bank	10%	2½%	Feb. 1	Dec. 31
Inter. Utilities pfd.	$7	$1.75	Feb. 1	Jan. 16
Do., pfd.	$3.50	87½c	Feb. 1	Jan. 16
Montreal L. H. & Pr.	$1.50	38c	Jan. 31	Dec. 31
McIntyre Mines	$1	25c	Mar. 1	Feb. 1
Do., extra	50c	12½c	Mar. 1	Feb. 1
Northern Ont. Power	$2	50c	Jan. 25	Dec. 31
Do., pref.	6%	1½%	Jan. 25	Dec. 31
Penmans	$3	75c	Feb. 15	Feb. 6
Do., pref.	6%	1½%	Feb. 1	Jan. 21
Royal Bank	10%	2½%	Mar. 1	Jan. 31
Russell Motor pfd.	7%	1¾%	Feb. 1	Dec. 31
Southern Can Power c.	$1	25c	Feb. 15	Jan. 31
Shawinigan W. & Pr.	50c	13c	Feb. 15	Jan. 21
Steel of Canada pfd.	$1.75	43¾c	Feb. 1	Jan. 7
Do., com.	$1.75	43¾c	Feb. 1	Jan. 7
St. Law. Flour	$1.50	37½c	Feb. 1	Jan. 20
Do., pref.	7%	1¾%	Feb. 1	Jan. 20
Second Std. Royalties pfd.	4c	1c	Feb. 1	Jan. 21
Supersilk Hosiery pfd.	$3.50	$1.75	Jan. 3	Dec. 20
Teck Hughes	60c	15c	Feb. 1	Jan. 17
Western Homes	4%	2%	Jan. 14	....
Weston, Geo., pref.	7%	1¾%	Feb. 1	Jan. 20

*Stock dividend. Payable subject to shareholders' approval at meeting called for Feb. 1, 1933.

Dividends Passed or Deferred:
Consolidated Sand. pref., Feb. 15, to be deferred. Last paid 50c. Nov. 15, 1932.
Standard Paving, pref., Feb. 15, to be deferred. Last paid 50c. Nov. 15, 1932.
Russell Motor Car, com., Feb. 1 passed. Last paid 25c, Nov. 1, 1932.

Dividend Rate Reduced:
Grey & Bruce Trust, Dec. 31 reduced from $1.50 to $1 per annum.

Extra Dividends:
McIntyre Mines 12½c. Mar. 1.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.

January 17, 1933

	Rate	Actual Maturity	Next Int. Date	Price	Yield
*Alberta	4½	1 Oct., 1958	1 Apr.	86.00	5.52
Alberta	5	1 July 1943	1 July	93.50	5.83
Alberta	6	1 Mar., 1947	1 Mar.	99.50	6.05
*British Columbia	4½	1 Oct., 1953	1 Apr.	86.00	5.64
*British Columbia	5	15 Jan., 1948	15 July	95.50	5.44
British Columbia	6	15 Feb., 1947	15 Feb.	100.25	5.97
Manitoba	4	1 July 1947	1 July	81.50	5.92
*Manitoba	5	2 Dec., 1959	2 June	94.00	5.43
Manitoba	6	1 Apr., 1947	1 Apr.	99.50	6.05
*New Brunswick	4	1 June 1948	1 June	91.83	4.75
*New Brunswick	4½	15 June 1936	15 June	100.00	4.75
New Brunswick	5½	1 May 1950	1 May	103.50	5.19
*Nova Scotia	4½	15 Nov., 1948	15 May	97.75	4.70
Nova Scotia	5	1 May 1943	1 May	101.50	4.82
*Ontario	4½	1 Sept., 1944	1 Mar.	103.50	4.13
Ontario	5	15 Oct., 1948	15 Apr.	103.50	4.69
Ontario	5½	1 Feb., 1947	1 Feb.	107.00	4.80
P. E. I.	4	1 Apr., 1939	1 Apr.	94.17	5.10
P. E. I.	6	1 May, 1947	1 May	109.15	5.10
*Quebec	4½	1 May, 1961	1 May	101.00	4.19
*Saskatchewan	4½	1 Sept., 1955	1 Mar.	85.00	5.68
Saskatchewan	5	1 Oct., 1950	1 Apr.	87.00	6.20
Saskatchewan	6	15 Mar., 1952	15 Mar.	97.00	6.27
*Newfoundland	5	31 Dec., 1952	30 June	58.00	9.84
*Newfoundland	5½	1 July, 1939	1 July	65.50	13.69
*Newfoundland	6½	30 June, 1936	30 June	78.00	14.75
Cities					
*Montreal	5	1 Sept., 1963	1 Mar.	106.55	4.60
*Toronto	4½	1 Jan., 1955	1 June	98.60	4.60
*Vancouver	5	15 Jan., 1970	15 July	88.50	5.75
Winnipeg	5	1 Mar., 1944	1 Mar.	91.75	6.00
*Edmonton	5½	1 Apr., 1947	1 Apr.	85.25	7.15
Calgary	5	1 Jan., 1943	1 July	81.50	7.50
Halifax	6	1 July, 1951	1 July	110.70	5.10
St. John	5	15 Dec., 1950	15 June	98.83	5.10
Regina	4½	1 July, 1950	1 July	72.98	7.25
Victoria	5	21 July, 1945	21 Jan.	87.30	6.50
Quebec	5	1 June, 1948	1 June	101.08	4.90

* Payable in New York.

Listed Bond Quotations

Week Ending January 16

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1932-33 High	Low
Abitibi, 1st mtg.§	5	1953	...	14	...	...	46	19½
Asbestos	5	1942	...	21	...	...	65½	49
Asbestos, 1st mtge.	6	1941	...	5¼	...	...	*20	14
Do., Gen. mtge.	6	1956	...	...	...	...	*9	...
Can. Cons. Rub.	6	1946	...	...	...	...	*69½	...
Can. Cottons	5	1940	...	...	...	...	*91	90
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Locomotive	6	1951	...	...	...	...	‡96	...
Can. Pr. (Laur.)	5½	1958	...	...	...	...	7	5
Do. (Way. Ser.)	5½	1958	...	...	...	...	*28½	5½
Can. S.S. Debs.	5	1943	...	...	...	...	83¼	...
Cedars Rapids	5	1953	4.39	...	108	...	108	95
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dominion Coal	5	1940	...	...	...	...	50	31
McNish	6	1948	...	1.00	...	...	3.50	1.00
Mex. L. & Pr.	5	1940	...	48	...	...	*73½	70¼
Mtl. L.H.&Pr. debs.	3	1939	...	40¾	42	40½	44	35
Mont. Tr. 1st mtg.§	5	1941	5.46	...	97	...	98⅜	90¼
Mont. Trams. "A"§	5	1955	6.90	...	78⅜	77½	85¼	69½
Do., G. & Ref. "B"	5	1955	7.08	...	...	...	79½	78¾
Do., "C"	4½	1955	6.43	...	...	...	77½	77
Do., "D"	5	1955	7.02	...	77⅝	...	81	77⅝
N.S. Steel	5	1959	...	†78	...	...	*62⅜	59
Ontario Steel	6	1943	5.94	...	...	...	100½	...
Porto R. Pr.	5	1936	...	...	...	...	*93	88
Steel of Canada§	6	1940	...	102	...	...	102½	100
Wayagamack	6	1951	...	...	...	...	*75	45
Winnipeg Elec.§	5	1935	...	72	...	...	86	...
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Canada	6	1940	...	...	...	...	102½	...
Dominion Govt. Bonds (Montreal)								
War Loan§	5	1937	1.37	114.10	....	....	110.00	102.00
Victory Loan	5½	1933	3.89	101.15	....	....	101.55	100.25
Do.	5½	1934	4.01	102.45	....	....	102.50	99.25
Do.	5½	1937	3.28	109.45	....	....	109.75	104.00
Do., refund	4½	1940	4.46	99.90	....	....	98.25	91.50
Do., refund	5	1943	4.58	103.15	103.37	....	103.37	95.38
Do., refund	4½	1944	4.53	99.35	....	....	97.50	89.50
Do., refund	4½	1946	4.55	99.25	....	....	96.25	91.50
Do., refund	4	1952	4.65	91.50	91.63	....	91.63	91.63
Conversion Loan	4½	1956	4.76	97.00	....	....	96.25	88.25
Do.	4½	1957	4.77	97.00	....	....	96.00	88.50
Do.	4½	1958	4.66	97.75	....	....	99.37	88.50
Do.	4½	1959	4.66	98.75	....	....	99.50	88.75
Nat. Service Loan.	5	1936	4.21	102.75	....	....	102.25	96.25
Do.	5	1941	4.55	103.00	....	....	102.25	95.00

*For 1931. None recorded in 1932-33 to date.
†Latest ask. ‡Quotations for 1930. §Payable in New York.

Winnipeg Stock Exchange

(Transactions for week to Jan. 14)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Jan. 14
80c	9.9	B. A. Oil	81	8¼	8⅛	8⅛
..	..	Bobjo	1500	.11½	.11	.11¼
..	..	Central Manitoba	2850	.09	.08½	.08½
..	..	Dom. Tar & Chem. c.	25	1	1	1
..	..	Island Lake	3000	.20	.18	.20
1	6.2	Monarch Life	5	16	16	16
..	..	North Star Oil c.	10	1.50	1.50	1.50
35c	..	Do., pref.	30	2.75	2.75	2.75
1	..	Royalite	80	6.50	6.25	6.50
..	..	San Antonio	100	.90	.90	.90
..	..	Sherritt Gordon	50	.40	.40	.40
1.25	12	United Grain	2	10½	10½	10½
..	..	Ventures	50	.84	.84	.84

Stocks Not Traded in During Week *

	Bid	Ask		Bid	Ask
Beaver Lumb. pf.	..	75	Sov. Life 25% pd.	13	..
Beaver Fire	..	100	West St. Prod., pf.	..	30
City Dairy 8% pf.	..	50	Can. Amer. Tr. shs.	..	2¼
Can. Fire Insur.	50	..	Fundamental Series "A"	..	3¼
Cres. Cream. pfd.	..	60			
Nor. Mtg. part pd.	..	5	Fundamental Series "B"	..	3¼
Pelissiers pref.	10	..			
Nor. Can. Mtg. pf.	..	15	Grouped Inc. shs.	3.40	3.75
Northern Trust	..	25			

*Stocks more active on other exchanges not included

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto
January 17, 1933

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.40	.60
Acadia Sugar 6% pfd.	2.80	3.25
Acme Farmers Dairy 7% pfd.	62.50	....
Acme Glove pfd. bonus c.	7.75	9.75
Agnew Surpass 7% pfd.	65.00	69.00
Allens Beach 7% pfd. bonus c.	31.00	....
Allens College 7% pfd. bonus c.	31.00	....
Allens London 7% pfd. bonus c.	31.00	....
Allens St. Clair 7% pfd. bonus c.	31.00	....
Allens St. Cath. 7% pfd. bonus c.	31.00	....
Allens Toronto 7% pfd. bonus c.	15.50	....
Andian Nat. Corp.	19.00	21.75
B.C. Pulp & Paper pfd.	5.50	8.00
Burns pfd. bonus com.	3.50	5.25
Canada & Dom. Sugar	21.50	22.50
Canada Mach. c.	1.25	3.00
Canada Mach. pf.	11.50	18.00
Canada Pack. c.	10.50	12.50
Canada Packers 7% pfd.	71.00	73.00
Canada Starch 7% pfd.	62.50	68.00
Canada Tea 7% pfd.	48.50	53.00
Can. Wire & Cable 6½% pf. W.W.	72.00	73.00
Can. Industries c. "A"	....	73.00
Can. Industries c. "B"	70.00	72.00
Can. Industries 7% pfd.	114.00	115.00
Can. Westing.	37.50	....
Chase, A. W. 4% pfd. bonus c.	....	16.00
Claude Neon Gen. Adv. Units	17.00	20.00
Claude Neon Gen. Adv. c.	.50	1.00
Dom. Foundries & Steel 8% pfd.	....	64.00
Dom. Foundries & Steel c.	....	4.50
Dom. Manufacturers 7% pfd.	60.00	69.00
Dunlop Tire 7% pfd.	42.00	45.00
Eastern Dairies Ltd. 7% pfd.	48.50	....
Edmonton Stock-yards Units	....	52.00
Federal Grain 6½% pfd.	20.50	25.00
Gen. Steel Wares pfd.	5.50	6.50
Goderich Elevator & Transit	....	7.50
Greening Wire 7% pfd.	....	62.00
Guardian Realty 7% pfd.	15.00	23.00
Guelph Carpet 6½% pfd. bonus	65.00	72.00
Guelph Carpet c.	4.50	....
Inter City Bak. c.	....	15.00
Inter. Proprietaries "A"	25.00	26.00
Langleys Ltd. 7% pfd.	26.00	35.00
Loew's London c.	.45	.90
Loew's London 7% pfd.	3.00	3.90
Massey Harris 5% pfd.	11.75	12.75
Mount Royal Hotel com.	.25	....
Mount Royal Hotel 6% pfd.	....	3.75
Nat. Grocers c.	.50	1.00
National Grocers 7% 2nd pfd.	40.00	44.50
National Sewer Pipe com.	6.25	....
Neilson, Wm. c.	4.50	....
Paramount Kitchener pfd.	27.00	....
Provincial Paper 7% pfd.	33.00	34.50
Reliance Grain 6½% pfd.	....	54.00
Rolland Paper 6% pfd. W.W.	27.50	28.50
Standard Clay Products c.	....	15.50
Standard Fuel 6½% pfd. bonus	56.75	58.50
Supertest Petroleum "B"	17.00	20.00

Industrial Stocks:	Bid	Asked
Toronto Brick 7% pfd.	....	42.00
Toronto Carpet 8% pfd.	....	85.00
Toronto Elevators 7% pfd.	74.00	75.50
Western Grain 6½% pfd. bonus	....	20.00
Willards Choc. pf.	....	20.00
Insurance Stocks:		
Br. Amer. Assce.	30.00	40.00
Canada Life Ass.	400.00	....
Can. Fire Ins.	52.00	56.00
Confederation Life 20% pd.	130.00	140.00
Continental Life 20% pd.	39.00	50.00
Crown Life Ins.	85.00	....
Dom. Fire Ins.	82.50	....
Dom. Life 50% pd.	....	250.00
Dom. of Can. Gen. Ins.	111.00	125.00
Excelsior Life 30% pd.	80.50	86.00
Fidelity Ins. of Can.	....	69.50
Great West Life Assce.	220.00	235.00
Guarantee Co. of N. A.	225.00	....
Halifax Fire Ins.	10.50	12.00
Imperial Life	245.00	260.00
Mfrs. Life Ins.	231.00	245.00
Monarch Life 10% pd.	15.50	....
National Life 25% pd.	65.00	70.00
Saskatchewan Life 10% pd.	10.50	15.00
Sovereign Life 25% pd.	16.50	21.00
Sun Life Assur.	295.00	325.00
Western Assur. c.	14.50	18.00
Western Life 20% pd.	7.50	....
Trust & Loan Stocks:		
Can. Gen. Invest. Ltd.	3.10	3.25
Chartered Trust	62.00	68.00
Debenture & Sec. 5% pfd.	....	20.00
Eastern Can. Sav. & Loan	104.50	110.00
Eastern Trust	141.00	150.00
Guelph & Ont. Inv. par $50	43.50	50.00
Investment Foundation Units	17.00	20.00
Lambton Loan & Savings	50.00	56.00
London & Western Trust	70.00	....
Mtge. Disc. pfd.	2.25	3.00
Mutual Finance 8% pfd.	....	2.30
Premier Trust	65.00	....
Provincial Bank	92.00	97.00
Security Loan & Savings	95.00	104.00
Sherbrooke Trust	100.00	110.00
Sterling Trust	52.50	57.00
Traders Fin. c.	....	.70
Traders Finance 7% "A" pfd.	17.50	19.00
Trusts & Guar.	39.00	....
Victoria Trust & Savings	140.00	170.00
Waterloo Trust & Savings	95.50	115.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	89.00	90.50
Calgary Power 6% pfd.	66.00	68.00
Can. Light & Pwr. com.	14.00	16.00
Can. West. Nat. Gas LH&P c.	21.00	....
Can. West. Nat. Gas LH&P pfd.	71.00	73.50
Great Lakes Pwr. 7% pfd.	....	65.00
Maritime Tel. & Tel. c.	8.00	9.50
Maritime Tel. & Tel. 7% pfd.	10.50	11.75
N.B. Telephone c.	7.00	8.25
Nova Scotia L&P 6% pfd.	70.00	80.00
Recent London Quotations:		
Brewers & Distillers		3s. 9d.
Can. & For. sec.		3s. 9d.
Can. West. Lumber		1s.
Hudson's Bay		18s. 9d.
Do., 5% pref.		70s.
Internat. Holdings		$1 11/16
Nfld. Pr. & Pap. deb. stock "B"		88
Trust & Loan of Can.		1s. 9d.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
January 17, 1933

Industrial Bonds:	Bid	Asked
Abitibi P. & P. 5% 1953	16.00	17.00
Acadia Sugar 6% 1946	85.00	88.00
Alta. Pac. Grain 6% 1946	70.00	73.00
American Sales Book 6% 1939	105.00	....
Arnold Bros. 6% 1947	20.00	35.00
B. A. Oil 5% 1945	87.00	89.00
Can. Biscuit 6½% 1946	20.00	25.00
Can. Bread 6% 1941	82.00	85.00
Can. Cement 5½% 1947	67.00	71.00
Can. Steamship 6% 1941	21.00	23.00
Can. Bakeries 6½% 1945	50.00	60.00
Can. Canners 6% 1950	80.50	85.00
Can. Copper Refin. 6% 1945	96.00	100.00
Can. Cottons 5% 1940	82.00	85.00
Can. Vickers 6% 1947	62.00	65.00
Cons. Invest. 4½% 1959	39.00	41.00
Cosmos Imp. Mills 6½% 1944	80.00	85.00
Davies, Wm. 6% 1942	86.00	90.00
Debenture & Sec. 4% 1936	53.00	56.00
Dom. Manufacturers 6% 1933	95.00	....
Dom. Tar & Chemical 6% 1949	58.00	60.00
Dom. Telegraph 5½% 1978 "A"	85.50	87.00
Dom. Textile 6% 1949	98.00	100.00
Dom. Woollens 6% 1948	9.00	12.00
Donnacona Paper 5½% 1948	14.00	18.00
Eaton Realty 5% 1949	79.00	81.00
Famous Players 6% 1948	68.00	71.00
Famous Players 6½% 1948	47.00	49.00
Federal Grain 6% 1949	69.50	72.00
Fraser Co. 6% 1932	10.00	....
Fraser Co. 6% 1950	10.00	....
Galt Brass 7½% 1941	....	30.00
Goodyear Cotton 6% 1949	96.00	....
Great Lakes Paper 6% 1950	16.00	18.00
Gypsum, Lime & Alab. 5½% 1948	40.00	44.00
Harris Abattoir 6% 1947	87.00	89.00
Howard Smith 5½% 1953	54.00	56.00
Loew's Toronto 6% Serial	99.00	....
London Realty 6½% 1950	40.00	45.00
Maple Leaf Milling 5½% 1949	....	43.00
Massey-Harris 5% 1947	54.00	....
McColl-Frontenac 6% 1949	84.00	86.00
McKinnon Industries 6½% 1945	93.00	97.00
Mercury Mills 5½% 1953	....	40.00
Metropolitan Bldg. 7% 1944	88.00	....
Nor. Ont. Bldg. 6½% 1939	68.00	72.00
Price Bros. 6% 1943	27.00	29.00
Richmond Bay 6½% 1947	62.50	68.00
Rolland Paper 5½% 1948	73.00	75.00
Simpsons Ltd. 5½% 1949	52.00	55.00
Simpsons Ltd. 6% 1949	56.00	58.00
Steel of Canada 6% 1940	103.00	106.00
Toronto Carpet 6% 1944	75.00	80.00
United Gas & Fuel 5½% 1948	51.00	55.00
United Grain Growers 5% 1948	71.00	73.00
United Grain Growers 5½% 1949	73.00	75.00
Western Grain 6% 1949	59.00	62.00
Public Utility Bonds:		
Bell Telephone 5% 1955	113.00	....
Bell Telephone 5% 1957	112.50	113.00
B. C. Power 5½% 1960	83.50	85.50
B. C. Telephone 5% 1960	90.00	94.00
Calgary Power 5% 1960	78.00	80.00
Can. Northern Pwr. 5% 1953	77.00	80.00
Duke Price Pwr. 6% 1966	52.00	54.00
Elect. Develop. 5% 1933	112.00	116.00
French Natl. Mail SS 6% 1952	120.00	125.00
Gatineau Pwr. 6% 1941 "A"	58.50	61.00
Gatineau Pwr. 5% 1956	79.00	81.00
Maclaren Quebec 5½% 1961	77.00	78.00
Manitoba Power 5½% 1951	50.00	55.00
Montreal Isl. Pwr. 5½% 1957	101.50	103.00
Montreal LH&P 5% 1951	106.00	108.00
Montreal LH&P 5% 1970	105.00	107.00
Montreal Tram 5% 1941 July	96.25	97.00
Montreal Tram 5% 1955	78.00	79.00
Northwest. Utilities 7% 1938	90.00	95.00
Ottawa Valley Pwr. 5½% 1970	97.00	98.50
Quebec Power 5% 1968	93.00	96.00
Rio Tramways 5% 1935	87.00	....
Shawinigan W&P 4½% 1970	70.50	72.00
Shawinigan W&P 5% 1970	76.00	78.00
Shawinigan W&P 6% 1937	86.00	90.00
Southern Can. Pwr. 5% 1955	95.50	97.00
West Kootenay Pwr. 5% 1956	90.00	92.00
Government, Provincial & Railway Bonds:		
C.N.R. 4½% 1951 Dom. Gtd.	98.50	99.00
C.N.R. 4½% 1957 Dom. Gtd.	98.25	99.00
C.N.R. 5% 1969 Dom. Gtd.	104.75	105.00
C.P.R. 4½% 1944	79.00	80.00
C.P.R. 5% 1954	94.00	96.00
Dom. of Can. 5% 1936	102.50	103.00
Dom. of Can. 5% 1941	103.00	103.50
G.T.P. 3% 1962 Dom. Gtd.	78.00	78.50
G.T.P. 4% 1962 Dom. Gtd.	92.00	94.00
Ont. Hydro 3½%, 4%, 5%, 1952 Ont. Gtd.	89.75	90.50
Ont. Hydro 4¾% 1970 Ont. Gtd.	98.00	99.00
Ont. Hydro 4% 1957 Ont. Gtd.	91.00	92.00
Prov. of N. B. 5½% 1950	102.25	103.50
Prov. of Ont. 4½% 1944	102.00	103.00
Prov. of Ont. 5% 1948	102.50	103.00
Prov. of Ont. 5½% 1947	106.25	107.00

ANGLO-NORWEGIAN ACQUIRES NEW SHIP

From Our Own Correspondent

MONTREAL.—Anglo - Norwegian Holdings Ltd., a holding company whose operating subsidiaries are engaged in the whaling industry, has made an addition to the fleets under its control. Through the formation of a subsidiary, a new whaling vessel has been acquired, which, it is claimed, represents the most modern type of ship engaged in the industry. Its facilities for whaling are stated to be considerably greater than the company's other ships and its operations more economical.

For this reason the new vessel is the only one of the company's fleet to be sent out for active operation this season. Over-production and low prices have tended to narrow the margin of profit in the whale oil market and it is thought that the new ship, with its low cost of operation, will be able to take care of the company's requirements during the current season. The rest of the fleet is expected to be laid up until next year.

Though earnings of Anglo-Norwegian Holdings' subsidiaries have tended to be restricted in the past year it is stated that the company has been able to maintain a satisfactory position. In 1931 total income accruing from interest and dividends was $313,179; net income was sufficient to cover preferred dividends and leave a sum equal to 16 cents a share on the common.

Nova Scotia Coal Output Sets Low Mark for 1932

From Our Own Correspondent

MONTREAL.—Coal production in Cape Breton and throughout Nova Scotia last year established practically a new low record for this century. The only year when production was as low as 1932 was in 1900. This year's production in Cape Breton was the lowest in the past 31 years.

Dominion Coal Co., the largest producer in the province and controlled by Dominion Steel and Coal Corp., is understood to have experienced a decline of 20 per cent in production last year. Despite the lower output, the company's financial position is said to have undergone some improvement. Working capital has been well maintained.

SCOTIA STEEL OMIT PAYMENT ON DEBENTURES

Dom. Steel Unit Makes Default in Interest Charges

MAY HAVE RECEIVER

Inability of Controlled Company to Meet Obligation May Involve Parent Concern

From Our Own Correspondent

MONTREAL.—Nova Scotia Steel and Coal Co. controlled by Dominion Steel and Coal Corp. has failed to meet interest on its 6 per cent perpetual mortgage debenture stock within the period of six months grace allowed under the trust deed.

Interest on the debentures was payable on July 1 last. From the beginning of 1930 onward the company took advantage of the period of the grace, meeting the interest payment six months after the due date. In the present instance it failed to live up to the trust deed.

Moore Issues Statement

In acknowledging default on the debenture stock Sir Newton Moore, president of the company, had the following to say:

"The date for payment of the interest on the debenture stock of Nova Scotia Steel and Coal Company expired on the 14th instant. The management of the company under conditions prevailing has found it impossible to make this interest payment and consequently the debenture stock is in default.

"To date no steps have been taken by the trustee in consequence of this default.

"It would I think be improper for me to discuss the probability or propriety of any action which the trustee may take, but I can say on behalf of the management of the company that every effort will be made to co-operate with the trustee toward the continuance of the operations of the company and its subsidiaries without interruption, in the interest of all concerned."

An Important Unit

Nova Scotia Steel is an integral part of the Dominion Steel and Coal organization. It holds Crown leases on some 90 square miles of Nova Scotia coal lands; operates four collieries with an annual capacity of 1,000,000 tons; owns the Wabana iron ore mines in Newfoundland; has extensive limestone and dolomite quarries on Cape Breton; owns and operates 150 coke ovens, 2 blast furnaces, five open hearth furnaces, all located at Sydney and an iron and steel products plant at Trenton.

In addition the company has two subsidiaries: Eastern Car Co., at New Glasgow, manufacturers of railway rolling stock; Acadia Coal Corp., operating 5 collieries in Pictou County; Nova Scotia Land Co., and Wasis Steamship Co.

Port of Besco

In 1920 control of this company and its various properties passed into the hands of the British Empire Steel Corp., a promotion fostered by Grant Morden and his associates. Ten years later Besco was reorganized and control of the properties passed to Dominion Steel and Coal Corp.

Capitalization of the company at the end of 1931 consisted of $4,576,496 of first mortgage bonds; $4,978,500 of perpetual mortgage debenture stock; $1,000,000 of 8 per cent cumulative preference shares; and $15,000,000 of ordinary stock.

All of the common stock is held by Dominion Steel and Coal Corp. The other securities are widely distributed in Canada, England and elsewhere.

May Affect Dosco

It is anticipated that a receivership will be asked for Nova Scotia Steel as a result of the default on the debenture stock. Inasmuch as this is one of the most important units going to make up Dominion Steel and Coal, considerable speculation is aroused as to whether or not the parent company will become involved.

Earning power of Dominion Steel and Coal has been on a limited basis over the last two years. In 1931 the company recorded a deficit of $572,130 in its profit and loss account. The balance sheet showed current bank loans of $904,826 and special bank loans of $4,530,000. Current assets, although in excess of current liabilities, were largely composed of inventories. Cash on hand and accounts receivable amounted to just over $2,000,000 compared with current liabilities (exclusive of the special bank loans) of $1,517,401.

EXPECT 'BREWERIES' TO COVER DIVIDENDS

Company Paid $1.60 a Share on Common Last Year

From Our Own Correspondent

MONTREAL. — Though sales and earnings of National Breweries were restricted last year by lessened spending power and reduced tourist traffic, it is understood that profits have approximated dividend payments and that the financial statement for 1932 will show the disbursement of $1.60 a share on the common stock covered.

In 1931 earnings amounted to $1,981,630 but this figure included an unspecified provision for decline in value of investments. After depreciation and preferred dividends there remained a sum equal to $1.73 a share on the common. Balance brought forward into last year was $5,311,123.

Whether provision for a further decline in investment values will be made in the 1932 report has not been disclosed. At the end of 1931 investments were carried at $1,086,417 which was nearly double the figure of the previous year.

Beer Taxes Unchanged

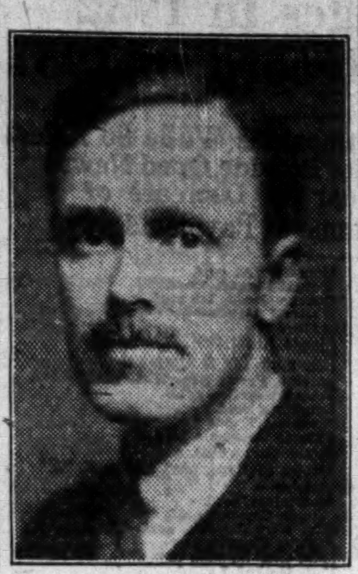
Last year witnessed no specific increase in beer taxes in Quebec though liquors have had to bear a larger impost. Retail grocery stores made an effort to raise beer prices early in the year but it proved unsuccessful and prices to the consumer have remained unchanged.

A feature of National Breweries' operations in 1932 was its introduction to the market of a yeast product. Distribution of this new line is not expected to find reflection in earnings for the past 12 months since production and sales only got under way in September last.

Manitoba Metal Output Gains

An increase of nearly a million and a quarter dollars in value in the metal production of Manitoba during 1932, is indicated in a preliminary estimate of production. The total value of metals, according to the estimate of Mr. Cole, will approximate $8,354,000, as compared with last year's total of $7,119,380.

Goes to Montreal



TERENCE SHEARD

Who has been appointed assistant manager of the Montreal office of National Trust Co. after five years as estates officer in Toronto.

INTER. HYDRO HOLD TO PLAN CONSERVE CASH

Graustein Tells Shareholders Dividends on Stock Still Deferred

From Our Own Correspondent

MONTREAL.—With the need of preserving cash resources still of paramount importance, directors of International Hydro-Electric System, controlled by International Paper and Power Co. have decided on continued deferment of dividends on the Class A stock.

At the end of last year International Hydro had outstanding 858,197 shares of Class A stock, entitled to annual cumulative dividend of $2 a share. The regular quarterly payment of 50 cents a share was made in the first quarter, but since that time no dividends have been paid.

Sets Forth Position

Dividends on the Class A stock have been earned, but the reason for the discontinuance of payments is set forth by A. R. Graustein, president, in the following letter despatched to shareholders:

"The officers and directors of this company regret that you will not receive the dividend which would normally be payable this day. They realize what dividends mean to everyone during this period of financial stringency and, particularly in view of the good record made by the company in 1932, believe you should be informed why it is inadvisable to resume dividend payments for the time being.

"Although 1932 was a year of many problems the company made progress and enters 1933 in a considerably strengthened position. Net earnings were well maintained as the loss in gross revenues due to lower industrial power consumption and other results of the depression was offset by lower operating expenses due largely to good water conditions at our hydro-electric plants. Maturities totalling $27,500,000 were refinanced and consolidated bank loans of New England Power Association were reduced to less than $9,500,000 from a total of $15,611,155 as of the beginning of the year.

Reasons for Action

"This year, however, it is unusually difficult to forecast the probable trend of earnings as there are possibilities of further declines in revenues, especially if general business conditions fail to maintain the level of last year. Under these circumstances your directors feel that the system's resources should be conserved.

"We are all hoping that by the end of 1933 conditions will be well on their way back toward normal, but at the present time it appears safer from the point of view of all concerned for International Hydro-Electric System to defer resumption of dividends on its Class A stock until a clearer vision of the near future is available."

Thetford Mines Asbestos Shipments Record Gain

From Our Own Correspondent

MONTREAL.—Asbestos shipments from Thetford Mines last month totalled 7,462 tons, a gain of 899 tons over that shipped in the previous month and 3,413 tons more than in December, 1931.

There has been lately a little improvement in the asbestos industry, a larger number of miners were employed during the latter part of December and it is generally understood that the Thetford Mines companies will continue to operate during the winter months.

Canadian Industries Lower Cellophane Price

From Our Own Correspondent

MONTREAL.—Canadian Industries Ltd. announce a reduction in the price of cellophane retroactive to the beginning of the year. Although operations only commenced in the late spring of last year, the new industry has shown marked signs of having well established itself, the present cut in price being further evidence of the fact.

Metal Prices

New York—January 17—
Copper: Electrolytic spot, 5c. lb.
London—January 17—
(Long Ton)—
Copper: Electrolytic spot, £33; future, £33 10s.
Standard spot, £28 7s 6d.; future, £28 12s.
Tin: Spot, £146 5s; future, £146 15s.
Lead: Spot, £10 6s; future, £10 17s 6d.
Zinc: Spot, £14 10s; future, £14 15s.
Silver: 16 13-16d. per ounce.

B. C. EXPENSES CUT $1,000,000; REVENUES DOWN

Further Reduction in Expenditures Seen For Next Year

From Our Own Correspondent

VANCOUVER.—British Columbia's total authorized expenditure for the fiscal year ending March 31 has been reduced approximately $1,000,000 as a result of economies recently carried out.

The legislature appropriated at its last session a total of $24,688,000, but the government will spend less than $23,650,000. However, there will probably be a recession in revenues estimated for the year. These revenues were estimated at $24,843,766 when the budget was brought down, and while the income tax has been well maintained, there will be a severe curtailment in the amounts received from other sources, such as liquor sales, natural resources, automobile licenses, and so on.

Thus, even with a saving of $1,000,000 there will be a substantial deficit. The next budget will add to the problems of the government, as the government will be fortunate if it obtains $20,000,000 from existing taxes during the next fiscal year. This would necessitate a further cut in expenditures of from $3,500,000 to $4,000,000.

Saves on Exchange

Although British Columbia has a heavy burden of fixed charges to contend with, the sinking funds are in good condition and they are ample to meet the situation, according to Hon. J. W. Jones, minister of finance.

"No government debt in Canada is better protected than that of British Columbia," said Mr. Jones. "The province holds in its sinking funds over $16,000,000 of its own bonds, a large proportion of which are payable in New York. Interest in New York funds is payable on less than $75,000,000 of the debt. The purchase of these New York issues for sinking fund purposes during the past year has saved us $45,000 a year in exchange. Against interest payments in New York premium exchange we have the discounts on interest and sinking funds payable annually in sterling in London, together with New York premium on our investments in the various funds under treasury control with present rates approximately offsetting premiums we pay against discounts and premiums we receive."

Elected Director

ROBERT A. LAIDLAW

Who has been elected a director of the Canada Life Assurance Co. Mr. Laidlaw is secretary-treasurer of the Laidlaw Lumber Co., Toronto.

B.C. Power Adds To Gas Output At Early Date

From Our Own Correspondent

VANCOUVER.—British Columbia Power Corp., through its gas subsidiary, is proceeding with the enlargement of its gas producing facilities in Vancouver to an extent that will increase consumption of B. C. coal by 100,000 tons annually.

The big plant is being constructed on the False Creek site of the company's other gas works, and the opening has been tentatively set for February 1. When completed, the utility will be the third largest in Canada. It will permit an increased gas output of 3,000,000 cubic feet. As soon as it is placed in operation, coal consumption will be at the rate of 70,000 tons a year and coke at 35,000 tons. Coal consumption will be increased 30,000 tons later in the year.

Increased consumption of gas not only in Vancouver but in the suburban areas is responsible for the further extension of B. C. Power's gas facilities at this time.

Total output of the company will be 9,000,000 cubic feet of gas daily when the new plant is finished.

P. E. I. Lobster Catch Increases

S. T. Gallant, inspector of fisheries, states that the total marketed value of the fisheries of the Province of Prince Edward Island for the year 1932 will be approximately $1,100,000.

DE HAVILLAND HAS LOSS OF $29,155

Retains Strong Working Capital Position; Retires Preferred

De Havilland Aircraft of Canada Ltd. had a deficit of $29,155 in the year ended September 30, 1932, as compared with operating profit of $656 in the previous year. A profit of $12,950 was made on the redemption of preferred shares while adjustments on prior year reduced surplus by $6,243. Surplus carried forward was $12,069 as against $34,518 brought forward from 1931.

Current assets are carried at $219,847 and current liabilities at $7,114. Included in current assets is cash of $20,584 which compares with cash of $10,861 shown in 1931. Bonds carried at $41,040 have a market value of $39,705. During the past year the company has redeemed $16,000 of the $100 par value 7 per cent preferred stock leaving $284,000 outstanding.

Operations of the company were curtailed due to drastic reduction in Government appropriations for air service and less activity by private owners which reduced the company's volume of sales. Further reductions in operating costs have been arranged. Income and surplus account for the past two years is as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended Sept. 30

	1932 $	1931 $
Net earnings	*29,155	656
Less: Pfd. divds.	....	10,500
Deficit	29,155	9,844
Add: Prev. surplus	34,518	44,976
Profit on pfd. shs. redeemed	12,950	....
Less: Adjustments	6,243	614
Surplus forward	12,069	34,518

*Loss.

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Mining Stock Quotations

Week Ending January 16.

Par Val.	Range 1932-33 High	Low	Company	Sales	Close Jan. 9 (or last)	High for week	Low for week	Close Jan. 16
1	.06	.02½	Abana	500	.02	.02½	.02½	.02½
1	.03	.00¾	Aconda	.....	.01	.....	.....	.....
No	.15	.15	Aldermac	.....	.15	.....	.....	.....
1	.09	.00¾	Alexandria	55,500	.02½	.03	.02	.02
No	.20	.03	Algoma	60,000	.03½	.05	.03½	.04
1	.01½	.00¼	Algonquin	8,500	.00¼	.00¼	.00¼	.00¼
1	.01½	.00¼	Amity C.	.....	.00¼	.....	.....	.....
No	.36	.06	Amulet	17,565	.13	.18	.12	.17
1	.00½	.00¼	Apex	5,000	.00¼	.00¼	.00¼	.00¼
1	.04	.01	Area	.....	.02	.....	.....	.....
No	.03½	.00¾	Arno	127,850	.02	.03	.02	.02½
1	1.00	.65	Ashley Gold	33,570	.91	1.00	.90	1.00
1	.07	.01	Bagamac	.....	.01½	.....	.....	.....
1	.01½	.00¼	Baldwin	19,600	.01½	.01½	.00¾	.00¾
1	.20	.03	Barry Hollinger	163,775	.19½	.20	.15	.16
No	1.45	.30	Base Metals	500	.70	.80	.80	.80
1	.21	.04	Big Missouri	7,675	.12	.14	.11½	.12½
1	.12	.02	Bobjo	116,965	.11½	.12	.10½	.10½
1	.23	.02½	Brett Trethewey	9,000	.18	.18½	.16	.18
1	.03	.00¾	Brownlee	15,500	.01½	.02¾	.01½	.01⅞
1	.01	.00¼	Buckingham	.....	.00½	.....	.....	.....
No	.36	.02	Buffalo Can.	5,500	.02½	.02½	.02½	.02½
No	.04	.01	Bunker Hill	25,000	.01¾	.02½	.01⅞	.02
5s	1.03	.10	B'Wana McKubwa	.....	.80	.....	.....	.....
No	.04	.02	Canam Metals	.....	.02½	.....	.....	.....
1	.09	.01½	Can. Kirkland	75,160	.03	.09	.08½	.07¾
1	.02½	.00¾	Capital Rouyn	.....	.00½	.....	.....	.....
1	.07	.01½	Cartier Malartic	20,000	.03	.03	.02½	.02½
1	.21½	.09	Castle Trethewey	3,600	.17½	.19½	.17	.17
1	.09¾	.04	Cen. Manitoba	11,100	.08	.09	.08	.08½
1	.21½	.02	Cen. Patricia	51,250	.18	.21½	.17½	.20
No	.07½	.01	Chibougamau Pros.	2,500	.04	.03¾	.03	.03
No	.02	.00¼	Clericy	87,000	.00⅞	.01½	.00⅞	.01½
5	5.00	.45	Coast Copper	900	1.85	2.00	1.65	1.70
1	.02½	.00¼	Cobalt Contact	.....	.01½	.....	.....	.....
No	.16	.15	Cobue	.....	.15½	.....	.....	.....
1	.14	.03	Columario	10,500	.07½	.08½	.07½	.08½
5	1.10	.69	Coniagas	100	1.05	1.05	1.05	1.05
No	.50	.23	Coniaurum	1,250	.35	.35	.34	.35
25	102.00	25.00	Cons. Smelters	3,271	65.50	68.00	57.50	59.75
No	14.50	9.00	Dome Mines	1,810	14.00	14.25	13.60	14.00
No	.10	.02	Dom. Explorers	34,500	.04¾	.05	.04½	.04½
1	.00¾	.00¼	Dominion Kirk	.....	.00½	.....	.....	.....
1	.04	.00¾	Don Rouyn	5,000	.03	.03	.02	.02
	.04	.02½	Duparquet	.....	.02½	.....	.....	.....
1	1.61	.76	Eldorado	47,150	1.50	1.61	1.41	1.45
No	2.40	.47	Falconbridge	5,210	2.10	2.10	1.83	1.91
1	.04	.00¾	Federal	45,500	.01½	.02½	.01½	.02
1	.06½	.00¾	Goldale	12,800	.05	.05¾	.05	.05½
10	.24	.05½	Goldfield	500	.10	.10	.10	.10
1	.00½	.00¼	Gold Hill	.....	.00½	.....	.....	.....
1	.04	.02	Goodfish	400	.02	.02	.02	.02
1	.03½	.00¼	Graham	.....	.00¾	.....	.....	.....
1	1.48	.50	Granada	61,275	1.43	1.48	1.35	1.39
1	.22	.05	Grozelle	4,000	.07	.06¼	.06	.06
1	.03½	.01	Harker	14,500	.02	.02	.02	.02
1	.01½	.00⅝	Hilltop	9,500	.00⅝	.00¾	.00⅞	.00¾
5	6.35	4.25	Hollinger	7,410	6.15	6.25	6.10	6.15
1	.78	.26	Howey Gold	36,430	.70½	.73	.65	.66½
No	5.30	.92	Hudson Bay	2,156	3.50	3.60	3.25	3.25
No	.36	.13	Huronian	120	.30	.30	.25	.30
No	13.50	4.00	Int. Nickel	14,690	9.25	9.50	8.87	9.00
1	.01⅞	.00¼	Jackson Manion	3,500	.00½	.00¾	.00½	.00¾
1	.25	.19	Keeley	800	.20	.22	.20	.22
1	.02½	.00¼	Keora Mines	3,000	.02	.01½	.01½	.01½
1	.70	.40	Kirk. Hud. Bay	4,425	.60	.64½	.60	.60
1	.02½	.00¼	Kirk. Hunton	4,000	.00¼	.01	.00¾	.01
1	.55	.19	Kirkland Lake	25,485	.31	.35	.30	.33
1	.03½	.00½	Kirkland Premier	.....	.01¾	.....	.....	.....
1	.17	.05	Kirk. Townsite	46,500	.15	.17	.15½	.16½
20c	.01⅞	.00¼	Koot. Florence	5,000	.00½	.01	.01	.01
1	.01½	.01½	La Rose	.....	.01½	.....	.....	.....
1	.41	.10	Lakeland	2,500	.20	.21	.20	.20
1	.29	.05	Lake Maron	13,500	.12	.13	.10	.10
1	35.10	24.90	Lake Shore	6,465	33.65	33.75	32.50	33.00
1	.07	.01½	Lebel Oro	3,500	.02½	.03	.02½	.02⅞
1	.41	.13	Macassa	37,343	.23	.25	.20	.25
1	.08	.02½	Malartic	13,650	.05	.07	.05	.06
1	.04	.00¾	Malrobic	82,000	.01¾	.02½	.01⅞	.02
No	.08	.02	Mandy	1,000	.04½	.04	.04	.04
No	.02½	.00¼	Manitoba Basin	328,350	.01½	.02½	.01½	.02½
5	25.00	14.70	McIntyre	9,175	23.25	23.25	21.20	22.00
1	.38	.25	McKinley	.....	.30	.....	.....	.....
No	.09½	.01⅞	McLeod River	242,200	.03¾	.05	.03½	.04½
	.26	.15	McVittie	34,175	.20	.26	.17½	.25
No	.65	.40	McWatters	46,750	.49	.65	.50	.58
No	1.85	.58	Mining Corp.	15,225	1.45	1.60	1.40	1.50
1	.08½	.01½	Moffatt Hall	38,000	.03	.03	.02½	.02½
1	.02¾	.02	Moneta	.....	.02	.....	.....	.....
1	.45	.19½	Moss	87,150	.36	.40	.36	.39½
1	.02½	.00¾	Murphy	204,500	.01	.01⅞	.01	.01½
No	.06½	.01	Newbec	8,200	.04	.04½	.03	.04
	.02	.01½	Night Hawk Penn.	500	.02	.02	.02	.02
5	1.48	.50	Nipissing	6,255	1.40	1.35	1.25	1.25
No	23.25	12.50	Noranda	6,618	20.40	20.50	19.75	19.90
No	.39	.10	Nor. Canada	1,200	.35	.36½	.35	.36½
	.76	.65	Northern Metals	.....	.76	.....	.....	.....
No	.01½	.00¼	Old Colony	102,000	.01½	.01½	.01	.01½
1	.09	.05	Osisko	.....	.05	.....	.....	.....
1	.17	.07	Parkhill	7,500	.11	.12	.11	.12
1	.13½	.11	Patricia Dent	.....	.13	.....	.....	.....
1	.02	.01	Pawnee Kirk	1,500	.01½	.01½	.01½	.01½
1	1.25	.35	Pend Oreille	1,310	.60	.69	.62	.62
1	.01½	.00¼	Peterson Cobalt	500	.00½	.01	.01	.01
1	4.94	3.00	Pioneer Gold B.C.	17,600	4.60	4.85	4.40	4.52
1	.00¾	.00¼	Porcupine Crown	.....	.00¾	.....	.....	.....
1	.02	.00¾	Potter Doal	.....	.00½	.....	.....	.....
1	.12	.12	Powell Rouyn	.....	.12	.....	.....	.....
1	.75	.32	Premier Gold	7,750	.60	.69	.62	.67
1	.01½	.00¼	Preston E. Dome	.....	.01	.....	.....	.....
No	1.31	.15	Prospectors Air's	400	.85	.95	.85	.85
No	1.00	1.00	Quebec Pros.	.....	1.00	.....	.....	.....
No	.10	.03	Quemont	1,500	.08	.10	.09	.10
1	.02½	.00½	Ribago	34,500	.01	.01½	.01	.01
1	.02½	.01	Ritchie	5,000	.01½	.01¾	.01½	.01¾
1	.02¾	.00¼	Robb Montbray	3,100	.01	.02¾	.01½	.01½
1	.98	.25	San Antonio	22,127	.93	.95	.80	.87
1	.09	.07½	Seven Troughs	.....	.07½	.....	.....	.....
1	.77	.18	Sherritt Gordon	13,684	.40	.42	.35	.38
1	1.48	.50	Siscoe	184,070	1.46	1.48	1.30	1.39
1	.10½	.00¼	South Keora	62,300	.07½	.09½	.07½	.09½
No	.06	.00½	Stadacona	1,801,800	.03	.06	.03	.04
1	.17	.05	St. Anthony	3,000	.08½	.09	.08½	.09
No	.90	.16	Sudbury Basin	3,075	.74	.75	.65½	.65½
1	.02½	.00¾	Sudbury Contact	.....	.02½	.....	.....	.....
1	.01	.00¼	Sudbury Mines	.....	.00¾	.....	.....	.....
1	.27	.07	Sullivan	83,800	.24½	.27	.21	.24
1	.87	.39	Sylvanite	18,760	.79	.80	.72	.78
1	.07	.01	Tashota	62,700	.02½	.02⅝	.02½	.02½
	.17	.02	Tashota Goldfield	7,500	.16	.17	.16	.17
1	5.25	3.05	Teck Hughes	33,660	4.21	4.40	4.16	4.33
1	.07½	.02	Thom Cadillac	9,000	.04½	.05	.04½	.04½
1	.40	.10	Towagmac	2,900	.10	.13½	.12	.13½
1	3.00	1.00	Treadwell	1,439	1.20	2.00	1.25	1.55
1	.09½	.02	United Kirkland	7,500	.05	.06	.05	.06
No	.12	.00¾	Vacuum Gas	123,600	.04½	.06	.04	.05½
No	1.10	.16	Ventures	49,975	.84	.85	.80	.84
1	.18	.04	Vickers	4,800	.12	.13½	.13½	.13½
1	.45	.18	Vipond	4,750	.24½	.26	.20	.21½
No	1.01	.25	Waite Ackerman	100	.50	.50	.50	.50
1	.08	.01	White Lake	.....	.02	.....	.....	.....
1	.01	.00½	Wiltsey Coughlan	.....	.01	.....	.....	.....
1	.10	.04½	Wood Kirkland	1,500	.07	.07	.07	.07
No	3.95	2.09	Wright-Hargreaves	29,490	3.81	3.95	3.78	3.90
			OIL STOCKS					
No	.19	.07½	Acme Gas & Oil	3,000	.12	.11½	.10½	.11½
1	1.17	.60	Ajax	17,600	.71	.82	.71	.78
1	.18	.04½	Alta. Pacific	.....	.09	.....	.....	.....
1	.03½	.02	Askalta	.....	.03½	.....	.....	.....
No	.20	.02	Associated	3,200	.05	.05	.05	.05
No	.09	.01	Baltac	9,700	.02½	.02¾	.01	.02½
	.05½	.00½	Benton	.....	.00½	.....	.....	.....
1	.05	.02½	Brit. Dominion	.....	.03½	.....	.....	.....
No	.60	.14	Calgary & Ed.	300	.35	.33	.33	.33
1	.15	.04	Calmont	200	.05	.05	.05	.05
1	.14	.03	Common. Pete.	100	.04	.04	.04	.04
No	.40	.05½	Dalhousie	300	.15	.20	.20	.20
No	.01	.01	Devenish	.....	.01	.....	.....	.....
No	.02	.00½	Dome Oil	.....	.00½	.....	.....	.....
No	.16	.04	East Crest	.....	.06½	.....	.....	.....
No	.01½	.01	Fabyan Pete	.....	.01¾	.....	.....	.....
No	.25	.05	Foothills	.....	.15	.....	.....	.....
No	.03½	.02	Freehold	.....	.02	.....	.....	.....
1	.02	.00½	Great West	.....	.00½	.....	.....	.....
No	.06½	.03	Hargal	.....	.03	.....	.....	.....
No	.05	.02	High Sarcee	.....	.02	.....	.....	.....
No	.85	.15	Home	1,105	.36	.45	.40	.40
No	.25	.01½	Homestead	.....	.01½	.....	.....	.....
1	.50	.09	Homest'd O. & G.	10,700	.18	.20	.17½	.18½
1	.01	.00¼	Illinois Alberta	.....	.00½	.....	.....	.....
No	.02½	.00¼	Lethbridge	.....	.00¾	.....	.....	.....
No	.10	.04	Lowery	.....	.10	.....	.....	.....
No	.02	.00¾	Madison	.....	.00¾	.....	.....	.....
1	.32	.05½	Mayland	500	.15	.15	.15	.15
No	.04	.01½	McD. Segur Ex.	.....	.01½	.....	.....	.....
1	.04½	.01	McD. Segur N.	.....	.01	.....	.....	.....
1	.50	.18	McLeod	.....	.18	.....	.....	.....
No	.10½	.06½	Mercury	.....	.07½	.....	.....	.....
No	.22	.04½	Merland	3,100	.16	.15	.15	.15
No	.15	.08½	Mill City Pete.	.....	.08½	.....	.....	.....
1	.20	.12½	Model	.....	.13	.....	.....	.....
1	.05	.04	Monalta	.....	.05	.....	.....	.....
1	.07	.03	Moose Mountain	.....	.03	.....	.....	.....
1	.01	.01	New Federal	.....	.01	.....	.....	.....
5	.20	.01	Nordon	9,400	.13	.15	.11	.15
1	.06	.02½	Oil Selections	31,000	.03¾	.04	.03½	.03⅞
No	.05	.02½	Okalta	.....	.03	.....	.....	.....
No	.32	.09	Olga Gas & Oil	20,650	.24	.26	.20	.25
No	.20	.01½	Penn. Pete	54,500	.03	.03½	.02½	.03
1	.28	.12	Petrol Oil & Gas	.....	.15	.....	.....	.....
No	.14	.08	Ranchmen's	.....	.09	.....	.....	.....
1	.01	.00¾	Regent	.....	.01	.....	.....	.....
No	.02½	.01	Richfield	.....	.01	.....	.....	.....
No	9.85	3.95	Royalite	10	7.00	7.00	7.00	7.00
1	.29½	.05	Sarnia Oil	17,800	.09½	.10	.08½	.08½
1	.03	.01	Signal Hill	.....	.01	.....	.....	.....
No	.12	.04	South West Pete.	.....	.04	.....	.....	.....
1	.30	.10	Spooner	.....	.15	.....	.....	.....
No	.21	.05½	Sterling Pacific	500	.11	.13	.13	.13
	.43½	.43	Trinidad Oil	100	.43	.43½	.43½	.43½
1	.11	.07½	Turner Valley	.....	.07½	.....	.....	.....
No	.08	.03	United	.....	.03	.....	.....	.....
1	.09½	.03	Vulcan	.....	.03	.....	.....	.....
No	.02½	.00½	Wainwell	3,000	.01	.01	.01	.01
			VANCOUVER STOCK EXCHANGE (Transaction for Week to January 11)					
25c	.00¾	.00½	Bayview	.....	.00¾	.....	.....	.....
20c	.05¾	.02	Beaver Silver	.....	.02¾	.....	.....	.....
25c	.04	.01	Bluebird	.....	.01	.....	.....	.....
No	1.65	.50	Bralorne	8,438	1.40	1.65	1.38	1.62
1	.12	.04	Bridge River Cons.	175,700	.07	.07	.05½	.06
1	2.50	2.00	Caribou Gold	2,650	2.15	2.50	2.10	2.20
No	7.50	7.50	Coast Breweries	35	.....	7.50	7.50	7.50
25c	.01½	.00½	Cork Province	100	.01	.00½	.00½	.00½
1	.13	.02	Cotton Belt	.....	.02	.....	.....	.....
1	.01½	.01½	Dalhousie	.....	.01½	.....	.....	.....
1	1.00	.15	George Copper	.....	.30	.....	.....	.....
50c	.02	.01	Geo. Enterprise	.....	.01	.....	.....	.....
1	.05	.01	Georgia River	21,750	.02½	.02⅞	.02½	.02½
1	.35	.10	Golconda	.....	.10	.....	.....	.....
50c	.08	.02	Grandview	12,200	.02½	.04½	.03½	.04½
1	.01	.00¾	Independence	.....	.00¾	.....	.....	.....
1	.01½	.01	Indian Mines	.....	.01	.....	.....	.....
1	.15	.08	Inter. Coal	.....	.10	.....	.....	.....
1	.21	.21	Jack Waite	.....	.21	.....	.....	.....
25c	.00¾	.00½	Kootenay King	.....	.00½	.....	.....	.....
10c	.04	.01	Lucky Jim	.....	.01½	.....	.....	.....
5c	.12	.04	Metaline Metals	.....	.06	.....	.....	.....
1	.03	.00½	Morton Woolsey	.....	.00½	.....	.....	.....
50c	.03½	.00½	National Silver	48,000	.01½	.02½	.01½	.02½
50c	.08½	.02	Noble Five	15,700	.02½	.04	.03	.04
50c	.01	.00½	Oregon Copper	.....	.00¾	.....	.....	.....
1	4.85	3.00	Pioneer Gold	7,830	4.35	4.80	4.30	4.75
50c	.08½	.02	Porter Idaho	17,500	.04½	.06½	.04½	.06½
No	.02	.00½	Premier Border	.....	.00½	.....	.....	.....
No	.35	.07¾	Reeves McDonald	350	.12	.15	.15	.15
1	.74	.21½	Reno Gold	90,350	.65	.74	.64	.74
1	.02½	.00½	Rufus Argenta	.....	.00½	.....	.....	.....
1	.05	.02	Ruth Hope	4,200	.02	.03½	.03	.03½
1	.05	.02	Silverado	.....	.05	.....	.....	.....
25c	.02½	.01	Silver Crest	54,000	.01	.01	.01	.01
50c	.02¾	.00½	Snowflake	8,000	.00⅞	.01½	.01	.01½
1	.79	.20	Sunloch	.....	.20	.....	.....	.....
No	.06	.05	Vanalta Oil	.....	.06	.....	.....	.....
20c	.02½	.01	Wellington Mines	.....	.01	.....	.....	.....
1	.06½	.00½	Whitewater	19,000	.04	.03½	.03	.03½

DIVIDEND PAYERS

	Rate	Yield %		Rate	Yield %
Ajax Oil	12c.	....	Merland Oils†	2½c.	....
Coniagas*	12½c.	....	Noranda	$1.10	....
Coniaurum†	3c.	....	Petrol Oil	2c.	....
Cons. Smelters*	10%	....	Premier	12c.	17.91
Dome Mines	$1+10c.	7.85	Pioneer, B.C.	24c.	5.30
Falconbridge	10c.	....	Royalite	$1.50	....
Hollinger	65c.+10c.	12.10	Siscoe	11c.	....
Howe Sound	40c.	....	Sterling Pac. Oil†	2½c.	....
Lake Shore	$2+$1	9.09	Sylvanite	4+1c.	6.41
McIntyre	$1.50	6.81	Teck Hughes	60c.	13.85
McLeod Oils*	5c.	....	Wright-Har.	10+5c.	3.84

*Stock. *Interim. †Initial.

The Story of 1932

The results achieved by The Imperial Life Assurance Company of Canada in 1932 will be very gratifying to policyholders and others interested in the Company's progress:

	1922	1932
Assurances in Force	$140,025,954.00	$291,380,798.00
Assurances Issued and Revived	23,980,734.00	27,321,794.00
Total Assets	24,928,718.62	67,465,959.60
Policy and Annuity Reserves	20,897,214.21	58,314,104.00
Premium and Interest Income	6,122,338.39	13,545,712.00
Payments to Policyholders	2,049,324.13	8,971,333.33

The millions of dollars of Reserves held by The Imperial Life for profit sharing policies are calculated on so strong a basis that interest earnings of only 3% are sufficient to maintain them. The difference between this 3% and the 5.52% actually earned gives an exceptionally wide margin for policyholders' profits and security.

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The Imperial Life Assurance Co. of Canada

FOUNDED 1897 Head Office, TORONTO

Branches and Agents in all important centres

Canadian Mining News

ONTARIO MINING PLAYING BIG PART DURING ADVERSITY

Mining Engineer Tells of Industry's Growth in Past 28 Years

AIDS ALL INDUSTRY

Converts Wilderness Into Settled, Prosperous Communities—Future Bright

"The Part Played By Mining in Ontario," was the subject of an address by G. C. Bateman before the Canadian Institute of Mining & Metallurgy in Montreal on January 13. Because of his intimate knowledge of his subject and his long association with the mining industry in Ontario, as an engineer and latterly as secretary of the Ontario Mining Association, the following excerpts from his address are particularly interesting:

"The principal growth of mining in Ontario has occurred during the past 28 years. Mining in Ontario may be said to have started with the discovery of Cobalt and Cobalt is largely responsible for our industry as it is today. Its profits financed other ventures and hundreds of prospectors and there is practically no mining district east of the Rockies where money from the Cobalt mines has not been active. During the past 28 years that I have been connected with Northern Ontario I have seen another empire opened up. I have seen it converted from a practically unknown wilderness to a settled and prosperous district with modern towns, with a big agricultural country opened up, with over 100,000 hydro-electric h.p. developed for the mines alone and with a great number of business enterprises of various sorts established, practically all of which are for the purpose of supplying the needs of these mining communities. I have seen the boundaries of this country extended north with each successive discovery until now there are no northern boundaries we recognize except the Arctic Ocean.

Ontario's Gold Growing

"I have seen our gold production grow from practically nothing to $46,500,000 a year to put Canada in second place among the gold-producing countries of the world. I have seen a production from our northern mines of almost $1,000,000,000 with $350,000,000 paid out for wages and $350,000,000 paid out for supplies and various services. Such great sums are bound to have an important effect upon the economic life of this country. It enters into every phase of her industrial system and there is no business, trade or profession that does not receive its share. This is nowhere more apparent than in our manufacturing industry. A comparatively few years ago practically all of the equipment and a large part of the supplies for mining companies had to be imported. Manufacturers recognizing the great purchasing power of the mines increased their facilities to handle this business. The result has been that during the past few years the total expenditures on capital alone by such companies as International Nickel, Ontario Refining Co., Hudson Bay Mining & Smelting Co., Noranda, and others, amounted to about $100,000,000—90 per cent of which has been placed with Canadian firms. There are towns scattered throughout Ontario and Quebec with plants of which the general public seldom hear that depend very largely upon the mines as their steady source of income.

Gold Mining Prosperous

"In a country such as Canada where prosperity depends upon the money, the amount of money, received for the products of our natural resources, when there is a crop failure in the west or when, as is the case at present, prices are so low, buying power is restricted and the effect is immediately felt throughout the country.

"In all this economic and financial upheaval there is only one industry that stands out, one industry that is really prosperous — gold mining. There has been no falling off in the demand for its product and as a matter of fact the demand has been greatly intensified. It is estimated that public and private debts throughout the world payable in gold or in currency backed by gold, amount to $500,000,000,000 and the monetary stocks of gold in the world amount to $11,000,000,000. You can, therefore, see the reason why nations and individuals are so anxious for gold and why any country is very fortunate which has an important gold production. Two camps — Porcupine and Kirkland Lake—have produced a total of over $400,000,000. It is wirth while stopping for a moment to think just what this means. It is estimated that the velocity of money is 25. That is, one dollar in new gold production will permit the carrying on of $25 worth of new business. This means that, therefore, the production of $400,000,000 in Ontario has been responsible for $10,000,000,000 worth of new business. Last year with a production of $46,500,000 Ontario gold mines in the worst period of depression that we have ever known were responsible for over $1,000,000,000 worth of new business which would otherwise have been impossible. In 1931 the Ontario Gold Mining Co. paid out approximately $13,000,000 for wages, $13,000,000 for supplies and employed over 6,000 men. Last year the gold mines employed more men, bought more supplies, paid more taxes and produced more gold than ever before in their history. If gold mining had been in the same position as agriculture, lumbering, and manufacturing it does not require much imagination to see how much more this country would have suffered and how much cause we have to be thankful for this particular industry.

Future Bright for Gold

"I think it is quite safe to say that Canada's mineral production, and particularly Canada's gold production, has been one of the most important, if not perhaps the most important, factor in maintaining the Canadian dollar at its present level. Today we have a favorable trade balance and the export of gold is the only thing that has made it possible. If it were not for our gold production our unfavorable balance of trade would be large and the Canadian dollar would be very much lower than it is at the present time and our financial difficulties in so far, at least, as the payment of debts in United States, would be correspondingly greater.

"Taking all these factors into consideration, we look forward to the future with confidence and in these days when people are practically submerged by gloomy forebodings it is fine to be able to pin our hopes to at least one industry, which more than any other, is helping to carry us through the present depression."

Orient Holding Fate of Silver's Future

Drop in Oriental Demand Was Paramount Factor in Decline of Metal in 1932

With silver at a new record low price of 24½ cents per oz.; the most extensive demand for silver for coinage since 1924, falling off in the Indian demand; piling up of stocks in Shanghai and a decline in production as well as a decline in the amount of silver from other sources, such as demonetized coin, these are the high spots of the silver industry in 1932 according to Hardy & Harman, well known bullion merchants of New York, as disclosed in their annual silver review.

The future of silver, the firm believes, is bound up with Far East trade and commodity prices. "Eliminating from consideration the enhancement of silver by means of remonetization," the review states "it is our conviction that an economically sound higher level for the white metal is contingent solely upon an increased demand for it from the Far East; and such demand can arise only when India and China can sell their products in greater volume and at higher levels in the world markets. A revival of trade and higher levels for commodities, therefore, would appear to be essential for the betterment of silver."

The following figures are given on world consumption and production of the metal:

World Production
(In millions of fine ounces)

Production	1932	1931
United States	23.4	30.8
Mexico	71.7	86.1
Canada	18.3	20.4
South America	12.4	17.6
All other	34.8	38.9
Production	160.6	193.8
Other supplies		
Demonetized coin		
Indo-China	10.0	6.4
Siam	...	20.0
Mexico	...	4.2
Egypt	...	2.9
Russia	11.6	....
Near East	1.0	....
Indian govt. sales	24.0	35.0
Total offerings	207.2	262.3

Net Consumption
(In millions of fine ounces)

	1932	1931
Net Indian	12.0	57.0
Net Chinese	40.0	59.0
Germany	22.8	28.2
Arts and Industry		
U. S. and Canada	22.0	30.5
England	8.0	10.0
Mexico	1.0	1.0
Coinage		
Germany	20.0	18.7
Mexico	23.2	....
Cuba	2.8	....
Jugoslavia	.5	....
United States	1.2	2.4
Unaccounted for	53.7	55.5
Total consumption	207.2	262.3

Mexico was the principal producer, with 71,700,000 fine ounces compared with 86,100,000 in 1931, while the United States produced 23,400,000 against 30,800,000, and Canada 18,300,000 against 17,600,000.

Total supplies from other sources, such as Indian government sales and offerings of demonetized silver are estimated at 46,000,000 fine ounces compared with 68,500,000 in 1931. This made total offerings of silver to the market in 1932 of 207,200,000 fine ounces compared with 262,300,000 in 1931.

Indian Sales 24,000,000 Ounces

Indian government sales are estimated at 24,000,000 ounces during 1932 of which 5,000,000 were refined in Germany, and the balance in London.

No new silver came upon the London market from debasement of British coinage because such metal was recoined by the Royal Mint for foreign governments. There were rumors that Spain would sell but these did not materialize.

Demonetized coinage from Indo-China, however, yielded nearly 10,000,000 ounces and about 1,000,000 more came to London from the Far East. Soviet Russia is replacing silver coins by subsidiary nickel kopec pieces, and it is estimated that 11,600,000 ounces was received from this source, of which 5,500,000 were shipped to London and sold there, and the balance sent to Germany in unrefined form.

Coinage Increases

Demand for silver for coinage has been the most extensive since 1924. It is estimated Germany purchased 20,000,000 ounces in 1932 for this purpose compared with 18,700,000 in 1931, in accordance with the decree of July 7, 1931 authorizing an increase of 50 per cent in metallic currency. Mexico purchased 23,200,000 ounces to be coined into pesos, Cuba 2,800,000 and the United States Mint 1,200,000. Yugoslavia requested tenders on slightly more than 5,000,000 ounces toward the end of the year for delivery in four installments at two-months intervals.

French Minting Continued

In accordance with the French monetary law of 1928, requiring the 5, 10 and 20 franc notes of Bank of France to be withdrawn from circulation before December 31, 1932, and replaced by 10 and 20 franc silver coins, French minting operations, begun in 1930, were continued through 1932. Government, however, had the bullion available and no purchases were necessary. Resumption of silver coinage by Turkey, discontinued since 1914, probably will involve only a small amount. No Hongkong dollars were coined during the last year.

Industrial demand for silver declined in 1932. It is estimated the United States and Canada consumed 22,000,000 ounces in the arts and industries compared with 30,500,000 in 1930. England's consumption dropped to 8,000,000 from 10,000,000.

India's consumption of silver in 1932 cannot be determined accurately, but Handy & Harman estimate a net consumption of only 12,000,000 fine ounces compared with 57,000,000 in 1931.

Bombay Stocks Large

As matters stand now in India, "the Indian government stands ready to refund the import duty paid on silver, if it is re-exported within two years, and certificates for the previously paid duty are presented. Supplies from smuggled and 'distress' silver have largely taken care of the demand; with the result that all the duty paid silver available is being exported, and the government is being called upon to repay import taxes formerly collected. Therefore, on account of these supplies and the poor consumptive demand, imports of taxable silver and the consequent revenue have been reduced to a minimum." The stagnant conditions in India have enlarged the stocks on hand at Bombay, which ranged from 8,000 to 13,700 bars, while the offtake has been cut drastically, dropping at one period to only 10 bars a day.

Chinese Used About 40,000,000 Ounces

Net Chinese consumption (including Hongkong) is estimated at about 40,000,000 ounces compared with 59,000,000 in 1931. Reduced demand from China is due to the unsatisfactory condition of her foreign trade, in turn occasioned by unfavorable economic conditions, internal and external.

E. Kann, of Shanghai, in explanation of the increase in silver stocks at Shanghai to the record figure of more than 322,000,000 ounces says that normally money would be flowing through trade channels into the interior, but during 1932 the reverse prevailed. Exports from many sections of the country had practically ceased, and the only method of payment for imports of necessities was shipment of Chinese silver dollars to Shanghai. Resulting exchange rate was such as to make it profitable to melt dollars into sycee, and because of this profit, the Shanghai shops preferred to melt dollars into sycee rather than to import foreign bar silver.

A Slump in Oriental Demand

The tremendous shrinkage in demand from the Orient, Handy & Harman believe, was the paramount factor affecting silver in the past year. In 1929, with production at 260,900,000 ounces, net imports of India and China amounted to 218,500,000 ounces or nearly 84 per cent. These two countries consumed 88 per cent in 1930 and 60 per cent in 1931. During the past year India and China consumed only 52,000,000 ounces or 32 per cent of total output.

Regarding the contention that the low prices of silver have affected the purchasing power of China and India, Handy & Harman said if these countries were exporters of silver, undoubtedly such would be the case. But on the contrary, China and India are large importers of silver under normal conditions. "Therefore," it is claimed, "their purchases of bullion should have increased during a year when silver rates were the lowest in history, had not their ability to buy been curtailed from some other cause. Such cause, in our opinion, is the shrinkage in the value obtainable in world markets for those products which India and China do export, and not the shrinkage in the value of silver."

Staking Heavy In Manitoba's New Gold Areas

Indicative of the activity in staking mineral claims in the Gods Lake and Island Lake areas of Manitoba, it is reported that approximately 1,400 claims have been staked in this area.

Regulations provide for permitting 70 days to elapse between the staking and registration of claims in this district owing to the distance from the recorder's office in Winnipeg. The inaccessibility to the area, by other than airplane transportation, has had the effect of attracting the seasoned old-time prospectors rather than the inexperienced, the results being that staking has been largely confined to favorable geological areas.

The provincial assayers' department attached to the office of the mining recorder has been providing a free assay for every claim registered, which has materially facilitated exploration activity.

Mill on Ventures

Ventures Ltd. has completed freighting a milling plant to its property on Gold Island in the Island Lake area. This plant was taken up through Lake Winnipeg to Norway House before the freeze-up and then conveyed overland by a winter road. This is the first mill to go into the new area and erection is planned this winter for operations early next spring. Diamond drilling at the Ventures property indicated several veins of such importance that it was decided to construct a mill for the treating of the ore simultaneous with shaft sinking and a development programme.

While the Ventures property is the most advanced in the area, many other promising prospects are coming in for their share of exploration.

At the Gods Lake find, made last July by Robert Jowsey, president of Bobjo Mines, an extensive diamond drilling campaign is planned. The Gods Lake Gold Mines has been incorporated to hold title to and develop some 70 claims owned in this area. Coniagas Mines, associated with Bobjo in financing the original exploration, has given an option on its share in the claims to interests associated with Bobjo.

Indications are that the coming season will see much work done in both the Gods Lake and Island Lake areas with the airplane providing the principal mode of transportation.

Eldorado Cut Vein 100 Ft. Below in Adit

Eldorado Gold Mines are in receipt of advice from its property at Great Bear Lake to the effect that the adit being driven into the hillside encountered the vein at a distance of 377 ft. from the portal. At last reports the adit was in 393 ft. and still in the vein, indicating a vein of at least 16 ft. in width. This is considerably wider than on the surface. Conspicuous showings of pitchblende, silver and copper are reported.

The point where the vein was cut is approximately 100 ft. below the surface. Plans call for drifting on the vein and preparing for mining.

Turner Valley Oil Reports $130 Profit

Shareholders of Turner Valley Oil Co. are in receipt of a financial statement, signed by its president, Hugh Melvin. advising that the directors have so far not felt warranted in committing the company to an investment in any drilling programme. The balance sheet shows current assets of $26,752 with no current liabilities. The freehold petroleum properties of the company underlie 1,140 acres in the Turner Valley area, none of which has been developed. The authorized capitalization is $500,000 in $1 par value shares of which 235,000 are outstanding. The income account for the year ended Sept. 30, 1932, showed a revenue from bond interest of $1,247; expenses for the year amounted to $1,117, leaving a net income for the year of $130.

Canadian Mining Stocks Under Thumb Nail Review

Manitoba Basin—Aldermac—McLeod River

MANITOBA BASIN

Manitoba Basin Mining Co. was incorporated in 1928 by interests associated with Stobie Forlong & Co. to develop mining prospects in Manitoba.

Following incorporation a number of properties were acquired, notably the Billie Boy group, which was extensively explored by diamond drilling before being dropped. Of all of its original holdings only one group, a silver-gold-copper-zinc prospect consisting of 21 claims at Herb Lake, is under application for lease.

Recent interest in the company centres about the acquisition of the Hat group of six claims near the Camsell River in the Great Bear Lake area, under option, with the privilege of optioning 12 additional adjacent claims.

Late in 1932 the company acquired an option on a group of six claims near Brett Lake in Swayze township, Ontario. Plans called for exploration work to start in the spring of 1933, on both the Swayze and Great Bear Lake properties.

The company's wholly owned subsidiary, Manitoba Tin Co., has dropped all its mining prospects near Chadford Lake, Manitoba.

Manitoba Basin has an authorized capitalization of 5,000,000 shares of no par value of which approximately 4,200,000 shares are outstanding. A block of treasury shares is under option to Toronto interests which propose furnishing additional funds.

No financial statement has been issued recently, but officials state that approximately $4,600 in two accounts constitute the company's current liabilities to the public.

ALDERMAC

Aldermac Mines was incorporated in 1927 as a subsidiary of the Towagmac Exploration Co., to develop a pyrite and copper property in Rouyn district, Quebec.

The property consisting of 712 acres in one group has been developed to a total depth of 1,125 feet where approximately 1,000,000 tons of ore showing 75 per cent iron pyrites, 1.65 per cent copper, 40 cents in gold and one-half ounce of silver per ton have been proved up. The first unit of a 500-ton mill was completed early in 1932. Initial production was restricted to filling the storage bins. The pyrite concentrate produced contained 50 per cent sulphur and 46 per cent iron, while the copper concentrate produced contained 31 per cent copper. The plan of the company was to provide a source of pyrite for the Sulphide Research Corp. owning patents on a flash pyrite burner, that produces sulphur dioxide gas from which sulphuric acid is made, particularly for use in paper mills. Owing to the curtailed output of the paper mills, the introduction of the flash burner did not make the progress anticipated. Therefore, the Aldermac Mines, which was to be the source of supply, is directly affected, and is now awaiting improved conditions and a market for its potential production of pyrite.

The company has a capitalization of 5,000,000 shares of no par value of which 4,998,695 were outstanding. Of this number 70½ per cent is owned by Towagmac Exploration. In addition there is issued and outstanding $350,000 in seven per cent first mortgage gold bonds, due in 1941.

The outlook for the company is closely allied with the application of the flash burner of the Sulphide Research Corp. During the initial operation of the mill it was proved to be a commercial success and a low cost producer, but without any market for the pyrite, the principal product of the property, operations must remain suspended.

The financial statement as at December 31, 1931, showed current assets of $65,857 and current liabilities of $69,049: in addition, there is accrued interest on the $350,000 bonds outstanding.

McLEOD RIVER

McLeod River Mining Corp. ever since incorporation in 1926 has been faced with misfortune of one kind or another. Originally financed by Stobie Forlong & Co., Toronto brokers, to dredge for gold, the company's activities were held up when this firm went into liquidation. Stobie Forlong Assets Ltd. has since been advancing funds in order to protect its interest in the company.

After nearly a year's delay, the 80,000 cubic yards monthly capacity Diesel operating dredge was started last September and was in operation but for a few days when an accident occurred, which made necessary the manufacture and importation of a new part. It is expected that operations will again be resumed next month. Initial operations recovered some $400 in gold from the gravel of the McLeod River where the company has leases on about 57,000 acres extending 117 miles along the banks of the river, near Peers, Alta. Bore holes indicated that about 47 acres showed an average assay at 17 cents in gold per cubic yard, while costs of operations was estimated at six cents per yard. Owing to the higher percentage of platinum found associated with the gold, a change in the flow sheet has been necessary and additional tables are being added, before operations are resumed.

The company has an authorized capitalization of 5,000,000 shares of no par value, of which, at last report, 1,669,024 shares were outstanding. Officials state that the company has sufficient cash arranged to meet the cost of the repairs, and put the dredge into operation. The debts outstanding total about $200,000 made up largely by advances from Stobie Forlong Assets Ltd., and secured by a mortgage.

VERAGUAS MINES TO WORK MARGAJA

Connell Interests Form New Company For Panama Property

Veraguas Mines Ltd. has been incorporated with a Dominion charter, dated December 29, 1932, having a capitalization of 1,000,000 shares of no par value, by the Connell-Timmins-British Metal interests to hold title to and develop its recently acquired Margaja gold property in the Republic of Panama.

McVittie-Graham Mines will be issued 56 per cent of the 750,000 shares to be immediately outstanding, and the remaining 44 per cent will be spread over the other interests in the undertaking.

Under the terms of the agreement with the McVittie-Graham and other parties financing the undertaking, all expenditures are to be returned plus interest at seven per cent from initial earnings.

Unusual interest is attached to the development of this property inasmuch as the Spaniards, over 300 years ago, worked the property to shallow depths over a length of approximately 1,400 ft. After that it remained idle until re-discovered about four years ago. The Panama Corp. secured a lease to the property and drove a crosscut adit into the hillside to intersect the old workings at a lower depth. Some 120 ft. of drifting has been done on the vein from this adit, giving spectacular values over widths of approximately six ft. The property was reported on by John Reid, well known Canadian mining engineer and geologist, during the latter part of 1932, for the Connell interests which negotiated the deal.

The old Panama Corp., original lessees of the property, was incorporated in England and was interested in many mining promotions and properties in the Panama area. It was not, however, until it had come to about the end of its financing and promotional activities that the Margaja property showed importance. Without funds to carry on, the company endeavored to reorganize and took out a Canadian charter, known as the Panama Corp. of Canada. The old company was wound up through the bankrupt courts in England and the new company reported to have secured a clear title to the property which enabled it to negotiate with the Connell interests.

Work has already been resumed at the property.

Petrol Oil & Gas Co. Reports $38,700 Profit

Petrol Oil & Gas Co. announces estimated earnings for the fiscal year ended November 30, 1932, as $38,700. Gas sales for the year were 143,538,000 cubic ft. from the Dover and Six Nations fields. The production from the Six Nations field sold at 25 cents per 1,000 cubic ft., the Dover at 30 cents.

In addition to the above income the company receives a royalty on the production from the well of the Ajax Oil & Gas Co. in the Six Nations field.

The annual statement of the company is in process of preparation and is expected to be released at the annual meeting in February.

Opens Branch Office

A branch office at St. Catharines, Ont., has been opened by Draper Dobie & Co., members of the Standard Stock & Mining Exchange in Toronto. J. W. Noble, formerly of Bongard & Co., is manager of the new office, which is the first branch office to be opened by this veteran brokerage house.

Report Issued Covering Blasting Sand Resources

Sand suitable for sand blasting is the latest of Canada's natural resources to come under observation by the Federal Department of Mines with a view to replacing imported material.

Investigational work carried on by the Department in co-operation with the Canadian Pacific Railway has definitely proved that Canada possesses sands that are equal to and in many cases better than the imported article used extensively in the cleaning of scale from castings and for removing paint and rust from metal surfaces.

A report has just been issued that not only covers sand, but an investigation into other resources previously imported. In the course of the survey the dolomitic limestone resources, suitable for the production of rock wool are reviewed. The report, in addition, includes a description of bituminous sands of Alberta; a description of the quartzite deposits in Pictou county, Nova Scotia, and a report and description of the pitchblende and silver finds at Great Bear Lake.

Copies may be had by application to the Department of Mines, Ottawa.

Apex Mines Re-vamps Capital Structure

Apex Mines, incorporated in 1924 to develop a property in the Porcupine area, has given notice to shareholders of a general meeting to be held in Toronto, January 25, to re-vamp the capital structure. The present capitalization of $2,500,000 in $1 par value shares is to be reduced to $200,000 and an exchange of stock made on the basis of 25 old shares for two new. The capitalization is then to be increased to $2,000,000 of which $1,800,000 will be in the treasury for financing. Interest in the company now centres around the acquisition of certain gas leases in southwestern Ontario. No work has been done since 1927 at the company's Porcupine property, owing to results being inconclusive.

Granada Gold Announces Vein Cut on 1,225 ft. Level

Officials of Granada Gold Mines through its publicity agents have announced that, "what appears to be the continuation of the No. 3 vein on the 1,225 ft level has been encountered in a crosscut 140 ft north of the station. Before encountering the vein proper, a number of flat dipping stringers were encountered and the vein proper, composed of blue quartz, is over 5 ft. in width and heavily mineralized. No assays have been received as yet but it is understood that the vein matter compares favorably with the similar vein on the upper levels."

Burvan Gold Mines Acquires Can. Champion Reef Mining

Burvan Gold Mines has been incorporated with an Ontario charter, dated December 15, 1932, to take over the Canadian Champion Reef Mining Co., on the basis of one new share for five shares in the old company.

The new company has an authorized capitalization of $3,000,000 in $1 par value shares, and will have 2,000,000 shares in its treasury to finance development work on the company's property in the Shining Tree area.

Issues Booklet on Fuses

In order to acquaint its customers with the best practices, the Canadian Safety Fuse Co. has issued a booklet entitled "Lasting Efficiency Increased by Proper Care and Use of Safety Fuse." The text forms an invaluable source of information for mining men, engineers, road-builders, and others using explosives.

Dividend Changes In 1932 Parallel Record of 1931

Payment passed By 114 Companies While 80 Effect Reductions; 32 Companies Provide Good News; Net Change For Year is Decrease of $61,700,000 in Volume of Payments

Dividend action taken by Canadian corporations during 1932 followed the trend of 1931 and the figures for the two years show a curious similarity both in the decrease in volume of dividends and the number of changes that took place during the two years. Dividends paid by Canadian corporations in 1932 amounted to $164,649,716, according to figures compiled by The Financial Post, $226,351,116 in 1931 and $284,641,548 in 1930. Hence there was a decrease of $61,700,000 in 1932 as compared with 1931 and a decrease of $58,290,000 in 1931 as compared with 1930.

During 1932, 114 companies passed or deferred dividends while in 1931 101 companies took similar action. Dividend reductions were effected by 80 companies on 85 stocks in 1932 and 13 of these companies reduced dividends twice during the year. In 1931 48 companies reduced dividends. Two companies resumed dividends in 1932 while nine companies declared initial or interim dividends; three increased dividends and 18 companies declared extras. The corresponding record for 1931 is seven companies resumed dividend payments; seven initial dividends were declared; seven dividends were increased and 18 companies declared extra dividends.

The companies that changed dividend policies during 1932 are as follows:

DIVIDENDS PASSED OR DEFERRED IN 1932

January—
Abitibi Paper, 7% pref.
Brantford Roofing, pref.
Gould Pumps, com.
Hamilton Cottons, pref.
International Power, pref.
International Utilities, "A"
Marcus Loew's, pref.
Price Bros., com.
United Fuel, pref.
Winnipeg Electric, pref.
Mutual Finance, com.
Dairy Corp., pref.
Silverwoods, com. and Class "A."

February—
Blue Ribbon, com.
Can. Dredge & Dock, com.
Consolidated Industries, com.
Consolidated Press
Frost Steel & Wire, "A" pref.
Guelph Carpet, com.
Ontario Steel, com.
Penmans, com.
Can. Power & Paper Invest., pref.
Distillers-Seagram

March—
Anglo-Norwegian Holding, com.
Can. Wire & Cable, "B"
Cooksville Co., pref.
David & Frere, "A"
International Nickel, com.
Paramount Publix
Sherwin-Williams, com.
Simon & Sons, com.
Union Gas
Upper Canada Investment Trust, pref.
Can. Inter. Investment, pref.
Claude Neon, pref.
N. B. Power, 1st pref.
Ruddy, E. L., pref.
Model Oils

April—
Conduits, pref.
Consolidated Oka Sand, pref.
Gould Pumps, pref.
Gt. Britain & Can. Investment, pref.
Honey Dew, "A" pref.
Medicine Hat Greenhouse, pref.
Mitchell, Robt., com.
Northern Can. Mortgage, pref.
Pressed Metals
Price Bros., pref.
Traders Finance, "A" and "B" pref.
Twin City, pref.
Viau Biscuit, 2nd pref.
Johnston Nat. Storage

May—
Can. Foreign Investment, pfd.
Beatty Bros., "A" com.
Dupuis Freres, 8% pref.
Frost Steel & Wire, 1st pref.
Granby Cons. Mining
Hudson Bay Mortgage, pref.
Simpsons, pref.

June—
Canada Iron, com.
East Kootenay Power, pfd.
Legare, P. T., pref.
Lindsay, C. W., com.
Niagara Wire Weaving, com.

July—
Associated Telephones, pref. and Cl. "A"
Brandram Henderson, pref.
Canadian Canners, com.
City Dairy (Wpg.) 8% and 7% pref.
Consolidated Smelters
Debenture Corporation
Dufferin Paving, pref.
English Electric, "A"
Fanny Farmer, com.
Inter. Hydro Electric, com. "A"
Montreal Dairy, com. "A"
Moore Corp., com.
Mutual Finance, pref.
Orange Crush, 1st pref.
Western Assurance, com.

August—
Claude Neon, pref.
Dominion Tar & Chemical, pfd.
Foreign Power Securities, pref.
Foundation Co., com.
Langley's, pref.
Northern Trusts
Ontario Equitable Life
Power Corp., com.
Service Stations, pref. and pref. "A"

September—
Aluminium, pref.
Canada Cement, pref.
Can. Wire & Cable, com. "A"
Famous Players, com.
Inter City Baking, com.
New Method Laundry, pref.
Photo Engravers
Sovereign Finance & D., pref.
Willard's Chocolates (rescinded)
Windsor Hotel, pref.

October
Canadian Indemnity
Can. Pacific Railway, com.
Canadian Wineries
Consolidated Bakeries
Gordon & Belyea, pref.
Niagara Wire Weaving, pref.
Sun Life Assurance

November—
Canadian Car, com.
Dominion Motors
Eastern Dairies, com.
Hamilton Bridge, pref.
Muirhead Cafeterias, pref.
Ontario Steel, pref.

December—
Brazilian Traction
Canada Bread, "B" pref.
Simon, H. & Sons, pref.
Willard's Chocolates, pref.
Gurd, Chas, Maritimes, pfd.

DIVIDEND RATE REDUCED

Company	Annual Rate	Month
Aluminium, pref.	$6 to $3	June
Bank of Montreal	12% to 10%	Sept.
Bk. of Nova Scotia	16% to 14%	Oct.
Bell Telephone	8% to 7%	July
Blue Ribbon, pref.	$3.25 to $2	Feb.
Bordens	$3 to $2	Sept.
Brand. Hend., pfd.	$7 to $4	Apr.
Bldg. Prod., A & B	$2 to $1.40	July
Do.	$1.40 to $1	Oct.
Burt, F. N., com.	$4 to $2.40	July
Canada Dry	$3 to $1.20	Jan.
Canada Iron, pfd.	6% to 3%	Sept.
Can. Bk. of Comm.	12% to 10%	Sept.
Can. Bronze, com.	$2.50 to $1.25	Feb.
Can. Canners, com.	50c to 20c	Jan.
Do., 2nd pref.	80c to 68c	Jan.
Do.	68c to 40c	July
Candn. Car, com.	$1.75 to $1	Feb.
Do.	$1 to 60c	May
Can. Converters	$4 to $2	Feb.
Can. Gen. Invest.	60c to 40c	July
Can. Investors	60c to 40c	Aug.
Can. West. Nat. Gas	$6 to $4	July
Can. Wineries	50c to 20c	Jan.
Central Can. Loan	12% to 10%	July
Chartered Trust	$5 to $4	Oct.
Chase, A. W., pref.	$6 to $4	May
Coast Breweries	$1.84 to 92c	May
Cons. Sand, pfd.	$7 to $4	May
Do.	$4 to $2	Aug.
Cons. Bakeries	$1 to 50c	July
Cosmos Imper., pfd.	$7 to $3.50	Aug.
Dominion Bank	12% to 10%	Oct.
Dominion Bridge	$2.50 to $2	Aug.
Dominion Glass, c.	7% to 5%	Jan.
Dominion Motors	40c to 20c	May
Dom. Scot. Inv., pfd.	$2.50 to $2	May
Do.	$2 to $1	Aug.
Economic Inv. Trust	$1.75 to $1.50	Apr.
Do.	$1.50 to 75c	Oct.
Foundation Co.	$1 to 50c	May
Granby Cons.	$2 to $1	Feb.
Gt. West Life	$30 to $20	Jan.
Gurd, Chas., com.	$2 to $1.60	Apr.
Do.	$1.60 to $1	Oct.
Howe Sound	$2 to $1	Apr.
Do.	$1 to 40c	July
Humberstone Shoe	$2.40 to $2	May
Hunts, A & B	$1.40 to $1	July
Imperial Bank	12% to 10%	Nov.
Industrial Mtge.	$4.50 to $4	July
Intercolonial Coal, c.	$2 to $1	Jan.
Lambton Loan	$5 to $4.50	July
London & Wert. Tr.	$7 to $5	Oct.
Monarch Mtge. pref.	80c to 50c	Apr.
Do.	50c to 40c	July
Montreal Finance	$2 to $1	Jan.
Moore Corp., com.	$1 to 50c	Apr.
Nat. Sewer Pipe, c.	$2 to $1.20	June
Do.	$1.20 to 60c	Dec.
Nat. Steel Car	$2 to 80c	July
National Trust	14% to 12%	July
N. B. Telephone, c.	80c to 60c	Apr.
Niagara W. Weav., c.	$1.50 to $1	Jan.
Ontario Equitable	60c to 40c	Feb.
Page Hersey	$5 to $3	Oct.
Penmans, com.	$4 to $3	Feb.
Pressed Metals	50c to 25c	Jan.
Provincial Bank	$9 to $8	Dec.
Quebec Power	$2.50 to $2	Jan.
Do.	$2 to $1.50	May
Riverside Silk	$2 to $1	July
Robinson Cons. Cone	$1.50 to $1	Oct.
Royal Bank	12% to 10%	Sept.
Russell Motor, c.	$3 to $2	Feb.
Do.	$2 to $1	Aug.
Service Stations, pfd. & "A" pfd.	$6 to $3	May
Shawinigan W. & P.	$2 to $1	May
Societe de Prets, ord.	$8 to $6	Oct.
Standard Chemical	$1 to 50c	June
Stand. Paving, pfd.	$7 to $4	May
Do.	$4 to $2	Aug.
Sterling Trusts	$6 to $4	June
Sun Life Assurance	$25 to $15	July
Supersilk Hos., pref.	$7 to $3.50	July
Toronto Gen. Trusts	12% to 10%	Jan.
Trusts & Guarantee	$6 to $5	July
Union Trust	7% to 5%	July
United Amusement, "A" & "B"	$1.80 to $1.60	Sept.
United Bd. & Share	80c to 60c	Oct.
Vanc. W. Drug, pfd.	$6.50 to $3.25	July
West. Can. Hydro, A	$1.25 to 60c.	Oct.
Western Assur., c.	$1.60 to 80c	Jan.
Windsor Hotel, pref.	$6.50 to $3.25	June

RATE INCREASED

Company	Annual Rate	Month
Coast Breweries	92c to $1.40	Aug.
Crow's Nest Pass Coal	$4 to $6	Dec.
Premier Trust	$5 to $6	June

EXTRA DIVIDENDS

Can. Fire Insurance—$1
Can. Industries, com.—$1.75
Central Can. Loan—2%
Consolidated Smelters—5% stock div.
Dome Mines—30c.
Dominion Stores—30c.
Guarantee of N. Amer.—$10
Hollinger Gold—10c.
Lake Shore Mines—$1
Loblaw "A" & "B"—20c.
McIntyre Mines—25c.
Midland Loan & Sav.—3%
Montreal C. D. Bank—$1
Montreal Loan & Mtge.—1%
Societe de Prets, ord.—$1
Standard Clay, com.—$2
Sylvanite Gold—1c.
Wright Hargreaves—7½c.

INITIAL OR INTERIM

Buywell Food, pref.—17½c., Oct.
Coniaurum Mines—3c., Aug.
Cons. Diver. Stand. Secs.—25c., Dec.
Highland Lass Mines—3c., Mar.
International Coal, com.—2c., Feb.
McLeod Oil—2½c., Nov.
Merland Oil—2½c., Nov.
Sterling Pacific Oil—2½c., Oct.
West. Can. Hydro, "A"—15c., Oct.

DIVIDENDS RESUMED

St. Lawrence Flour, com.—Nov.
Guelph Carpet, com.—Nov.

Alberta Oil Production

Imperial Refinery

Crude & Discolored Naphtha—	Dec. 1932 Bbls.	Total 1932 Bbls.
Royalite	5,833	88,252
Advance	456	7,843
Associated	420	4,898
Baltac	164	897
Dalhousie	1,117	16,166
Foothills	3,264	31,193
Mayland	3,511	53,964
Merland	4,355	35,116
Southern Lowery	6,597	78,411
Sterling Pacific	3,294	55,628
Lowery	494	6,163
Home	1,841	22,827
Hargal	33	489
Hylo	...	8,481
Southwest Pete.	194	6,070
Alta. Pac. Con.	...	692
British Dominion	...	576
Commonwealth	...	702
East Crest	...	8,749
Mercury	6,190	85,227
Miracle	787	8,487
Mill City	...	176
Richfield	...	1,930
Structure	397	8,848
Total Naphtha	39,007	531,860
Crude Oil—		
Royalite	218	2,987
Dalhousie	385	3,613
Home	...	2,770
Hylo	3,115	11,805
Model	3,813	50,988
Total Crude Oil	7,531	72,163
Total Imp. Handlings	**46,538**	**602,724**

Regal Refinery

Crude Naphtha—		
Okalta	2,020	19,610
Wellington	...	409
Homestead	450	6,298
United	...	318
Alta. Federated	162	1,639
Calmont	178	1,331
Miracle	...	1,081
Mercury	...	4,055
Total Crude Naphtha	2,810	34,731

Bell Refinery

Crude Naphtha—	Nov. 1932	Jan.-Nov. 1932
Spooner, Hylo, New McD.-Segur & Miracle	4,058	36,313
Total Crude Naphtha	4,058	36,313

1932	
Deliveries—Dec.	49,348
Deliveries—Nov.	46,710
Deliveries—Oct.	46,409
Deliveries—Sept.	45,869
Deliveries—Aug.	55,027
Deliveries—July	57,141
Deliveries—June	64,324
Deliveries—May	65,709
Deliveries—April	65,641
Deliveries—Mar.	71,533
Deliveries—Feb.	67,789
Deliveries—Jan.	98,893

Wm. H. Dunn Resigns Positions With Borden's

Wm. H. Dunn, the pioneer representative in Canada of the Borden Company, has resigned as director, vice-president and secretary of Borden's Limited, as well as his position of assistant secretary with the Borden Co., Limited, Toronto.

In 1930 Mr. Dunn retired from Wm. H. Dunn Limited, Montreal, a grocery brokerage business he established in 1890, with branches throughout Canada. During his long connection with the trade and his varied interests, Mr. Dunn became a widely known figure in the Canadian grocery field. As a direct result of his pioneering many new factories were opened in the Dominion.

Alberta Provides Aerial Facilities

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